Bristol County Contributory

Retirement System Audit Report

JAN. 1, 2014 - DEC. 31, 2017

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
COMMONWEALTH OF MASSACHUSETTS

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PERAC
COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

July 21, 2020

The Public Employee Retirement Administration Commission (PERAC) has completed a review of the audits of the Bristol County Retirement System conducted by the firm of LynchMarini & Associates, Inc. Certified Public Accountants (LynchMarini). LynchMarini conducted these audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audits covered the period from January 1, 2014 to December 31, 2017.

We conducted an inspection of the work papers prepared by LynchMarini. We determined that the audits were conducted in a competent professional manner and the work papers demonstrated that audit tests and procedures were performed in sufficient detail to allow us to accept the final audit reports as issued.

We identified specific differences between these financial audits designed to provide an opinion on financial statements and our compliance audits in accordance with the accounting and management standards established by PERAC in regulation 840 CMR 25.00 and in compliance with the provisions specified in PERAC Memo # 18/2019.

Accordingly, we supplemented the field work conducted in the audits by LynchMarini with certain limited procedures designed to provide additional assurance that the accounting and management standards established by PERAC were adhered to and complied with. The specific objectives of our review were to determine: 1) that the Board is exercising appropriate fiduciary oversight, 2) that cash balances are accurately stated, 3) that investment manager contracts were procured in compliance with the provisions of Section 23B of Chapter 32, and management fees paid were in accordance with the executed contract, 4) that travel expenses were properly documented and accounted for, 5) that retirement contributions are accurately deducted, 6) that retirement allowances were correctly calculated, 7) that appropriations certified by PERAC for the fiscal years covered by the audit have been paid to the retirement system, and 8) that refunds issued by the system were correctly calculated.

To achieve these objectives, we inspected certain records of the Bristol County Retirement Board in the above areas. Specifically, we reviewed the minutes of the Board meetings for compliance with fiduciary oversight, verified cash balances, and tested a sample of travel expenses for Board approvals, supporting documentation and proper accounting. We reviewed procurement files for contracts awarded to investment managers and confirmed that all required documents were maintained. We also calculated the management fees due per the contract and compared these amounts to the fees invoiced by the manager. We tested the payroll records of a sample of active members to confirm that the correct percentage of regular compensation is being deducted, including the additional two percent over $30,000. We tested a sample of members who retired during our audit period to verify that their retirement allowance was calculated in accordance with the statute. We reviewed appropriations received and compared to PERAC appropriation letters for the fiscal years during the audit period. We also tested refunds issued during the audit period and recalculated the interest portion of the refunds tested.

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by PERAC with the exception of those related to our supplemental work which are detailed in the findings presented in this report.

It should be noted that the financial statements included in this audit report were based on the work performed by LynchMarini and the tests conducted for the periods referenced in their opinion. These audits were not performed by employees or representatives of PERAC. It should also be noted that the opinions expressed in these audit reports were based on the laws and regulations in effect at the time.

The financial statements and footnotes presented in this report were limited to the express results as of and for the years ended December 31, 2017, December 31, 2016, December 31, 2015 and December 31, 2014.

In closing, I wish to acknowledge the work of LynchMarini, who conducted these examinations, PERAC examiners, Elaine Pursley and Junior Yanga, who conducted limited procedures to supplement the field work, and express my appreciation to the Bristol County Retirement Board and staff for their courtesy and cooperation.

Sincerely,

John W. Parsons, Esq.
Executive Director

EXPLANATION OF FINDINGS AND RECOMMENDATIONS

1. Cash:
Our audit work found three areas of concern with the Bristol County Retirement Board's cash processes:

- The Board has three bank accounts at Bristol County Saving Bank and one bank account at Bristol County Bay Coast Bank. The account at Bristol County Bay Coast is used to pay property taxes and condo fees for the Retirement Board's office. This account is not listed on the General Ledger (GL) or the Annual Statements.

- All four bank accounts are reconciled in-house by the Assistant Director instead of the County Treasurer's office.

- A review of the December 2017 bank reconciliation for the pension payroll account revealed five checks, totaling $2,939.41, that were outstanding for more than a year.

Recommendation: All cash accounts should be recorded to the GL and included on Schedule 1 of the Annual Statement.

To improve internal controls, the County Treasurer's office should prepare the monthly cash reconciliations.

The Bristol County Retirement Board should follow their policy to review outstanding checks on a monthly basis to determine why a check older than 6 months has not been cashed, and whether a new check should be issued.

Board Response:
We have had discussions with the Treasurer's Office. We will begin having their office reconcile when the office is back to being fully staffed. (One employee was on maternity leave starting in January and the Covid 19 Stay at Home has not allowed for a fully staffed office.)

2. 2017 Management Fees:
Approximately $475,000 of management fees were not recorded to GL #5304 Management Fees in 2017. In one instance the entire year's fees were not recorded and with respect to five other investment managers fourth quarter fees were not recorded.

Recommendation: The Retirement Board must not "net" management fees for accounting purposes, but should record management fees and gross income for each investment. The Retirement Board should keep track of management fees recorded to the GL and ensure that there are four quarters of fees included in each year.

Board Response:
The accountant will correct this moving forward.

FINAL DETERMINATION:
PERAC Audit staff will follow up in six (6) months to ensure appropriate actions have been taken regarding all findings.

SUPPLEMENTARY INFORMATION

SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

	AS OF DECEMBER 31, 2017	
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	$12,377,224	1.8%
Fixed Income Securities	52,952,274	7.8%
Equities	118,276,388	17.4%
Pooled Domestic Equity Funds	58,898,948	8.6%
Pooled International Equity Funds	184,224,356	27.0%
Pooled Domestic Fixed Income Funds	59,733,734	8.8%
Pooled International Fixed Income Funds	57,223,787	8.4%
Pooled Alternative Investment Funds	58,899,184	8.6%
Pooled Real Estate Funds	45,073,601	6.6%
Hedge Funds	33,638,138	4.9%
Grand Total	$681,297,633	100.0%

For the year ending December 31, 2017, the rate of return for the investments of the Bristol County Retirement System was 16.83%. For the five-year period ending December 31, 2017, the rate of return for the investments of the Bristol County Retirement System averaged 9.42%. For the 33-year period ending December 31, 2017, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Bristol County Retirement System was 9.01%.

The composite rate of return for all retirement systems for the year ending December 31, 2017 was 17.63%. For the five-year period ending December 31, 2017, the composite rate of return for the investments of all retirement systems averaged 9.83%. For the 33-year period ending December 31, 2017, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.36%.

SUPPLEMENTARY INFORMATION (Continued)

ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the County Treasurer who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex-officio Member:	Christopher T. Saunders, Esq., Chairman		
Appointed Member:	John T. Saunders	Until a successor is appointed	
Elected Member:	William Downey	Term Expires:	12/31/2022
Elected Member:	Stephen J. Rivard	Term Expires:	01/05/2021
Appointed Member:	Christine N. DeFontes	Term Expires:	12/31/2020

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

Retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts. Fidelity insurance is the only required policy coverage under Ch. 32 §21 and §23 as well as 840 CMR 17.01. The policy is designed to cover specific intentional acts such as theft, fraud or embezzlement and also specify who commits such acts, most commonly employees of the system. This coverage reimburses the system for the losses it suffers as a result of its employees' actions. It does not insure the employees for their illegal acts. Statutorily required coverage is provided by the current fidelity insurance policy to a limit of $1,000,000 with a $10,000 deductible issued through Travelers Casualty and Surety Company. The system also has Fiduciary coverage to a limit of $50,000,000 under a blanket policy issued through the Massachusetts Association of Contributory Retirement Systems.

SUPPLEMENTARY INFORMATION (Continued)

ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Sherman Actuarial Services as of January 1, 2018.

The actuarial liability for active members was	$395,317,143
The actuarial liability for retied and inactive members was	597,338,364
The total actuarial liability was	$992,655,507
System assets as of that date were (actuarial value)	672,172,677
The unfunded actuarial liability was	$320,482,830
The ratio of system's assets to total actuarial liability was	67.7%
As of that date the total covered employee payroll was	$164,456,820

The normal cost for employees on that date was	8.8% of payroll
The normal cost for the employer including administrative expenses was	2.4% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return:	7.75% per annum
Rate of Salary Increase:	Varies with service

SCHEDULE OF FUNDING PROGRESS AS OF JANUARY 1, 2018

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2018	$672,172,677	$992,655,507	$320,482,830	67.7%	$164,456,820	194.9%
1/1/2016	$596,531,897	$908,025,085	$311,493,188	65.7%	$152,406,793	204.4%
1/1/2014	$562,448,845	$840,301,708	$277,852,863	66.9%	$141,877,055	195.8%
1/1/2012	$460,572,977	$776,734,414	$316,161,437	59.3%	$137,231,288	230.4%
1/1/2009	$396,683,194	$697,604,462	$300,921,268	56.9%	$158,880,971	189.4%

SUPPLEMENTARY INFORMATION (Continued)

MEMBERSHIP EXHIBIT

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Retirement in Past Years										
Superannuation	84	109	76	130	106	99	96	121	114	111
Ordinary Disability	1	3	0	0	1	1	1	0	0	0
Accidental Disability	11	5	5	5	6	5	4	0	4	6
Total Retirements	96	117	81	135	113	105	101	121	118	117
Total Retirees, Beneficiaries and Survivors	2,062	2,104	2,154	2,234	2,289	2,323	2,337	2,390	2,430	2,484
Total Active Members	4,139	4,132	3,535	3,560	3,552	3,183	3,155	3,237	3,220	3,282
Pension Payments										
Superannuation	$20,967,065	$22,499,563	$24,040,882	$25,845,247	$28,064,029	$29,819,456	$31,355,985	$33,380,115	$35,506,485	$37,658,623
Survivor/Beneficiary Payments	1,392,671	1,485,701	1,547,395	1,681,132	1,873,629	1,974,000	2,018,779	2,083,219	2,142,927	2,166,869
Ordinary Disability	366,050	401,401	371,176	391,812	369,303	390,826	400,335	447,593	436,347	444,865
Accidental Disability	5,868,962	6,094,845	6,618,122	6,590,938	6,954,171	7,101,766	7,469,688	7,436,622	7,656,150	8,159,064
Other	2,427,274	2,539,456	2,706,063	2,936,430	3,040,541	3,176,998	3,391,334	5,997,058	4,180,914	4,799,152
Total Payments for Year	$31,022,022	$33,020,966	$35,283,638	$37,445,559	$40,301,673	$42,463,046	$44,636,122	$49,344,607	$49,922,823	$53,228,573

BRISTOL COUNTY RETIREMENT SYSTEM

FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH INDEPENDENT AUDITOR'S REPORT

BRISTOL COUNTY RETIREMENT SYSTEM
INDEX TO FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

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LYNCHMARINI & ASSOCIATES INC.
CERTIFIED PUBLIC ACCOUNTANTS
www.LynchMarini.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Bristol County Retirement System, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Bristol County Retirement System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bristol County Retirement System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bristol County Retirement System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Bristol County Retirement System as of December 31, 2017 , and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 6, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 23, Schedule of Contributions and Related Ratios on page 24, the Schedule of Investment Returns on page 25 and Notes to Required Supplementary Information on Page 26, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2018 on our consideration of the Bristol County Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bristol County Retirement System's internal control over financial reporting and compliance.

Lynch Marini + Associates Inc

Norwell, Massachusetts
September 11, 2018

LM LYNCHMARINI & ASSOCIATES INC.
CERTIFIED PUBLIC ACCOUNTANTS
www.LynchMarini.com

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Bristol County Retirement System (System) we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the year ended December 31, 2017.

FINANCIAL HIGHLIGHTS

The fiduciary net position held in trust for pension benefits totaled approximately $681 million at December 31, 2017, and $598 million at December 31, 2016. The net position is available for payment of monthly retirement benefits and other distributions to the System's participants.

The total number of participants in the System as of December 31, 2017 was 6,492 active and retired.

The funded ratio of the System was 68.6% at January 1, 2018, the date of the latest actuarial valuation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The System covers substantially all non-teaching employees in the County, 14 towns and 22 special districts and housing authorities. Pursuant to Massachusetts General Law ("MGL") the System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Contribution rates for active members are set at 5%, 7%, 8% or 9% of gross regular compensation, as defined; depending on the date membership began. Certain employees contribute an additional 2% on compensation over $30,000 per annum.

The System's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. Also included is certain required supplementary information, and audits of Specific Elements, Accounts, and Items of Financial Statement Schedules.

The System is administered by the Bristol County Retirement Board and is governed by Chapter 32 of the Massachusetts General Laws.

The Statement of Fiduciary Net Position presents fairly the information on the System's assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the System's investments at fair market value, along with cash and short-term investments, receivables, and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the System's net position restricted for pension benefits changed during the year ended December 31, 2017. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The System is on a funding schedule to be 100% funded by the year 2028. The participating governmental entities contribute to this schedule annually based on the status of the bi-annual actuarial evaluation.

The Required Supplementary Information also includes the Schedule of Changes in the Net Pension Liability and Related ratios, Schedule of Contributions, Schedule of investment Return and Notes to Required Supplementary information.

The Audits of Specific Elements, Accounts and Items of Financial Statements include the pension schedules of Employer Allocations, Pension Amounts by Employer and Notes to the related schedules.

FINANCIAL ANALYSIS

ASSET COMPARISON– 2017 compared to 2016

	($ in millions) December 31, 2017	($ in millions) December 31, 2016
Domestic Equity and Funds	$ 164.3	$ 168.0
Real Estate Funds	58.6	49.1
Venture Capital Funds	58.5	27.4
Hedge Funds	33.6	31.1
International Equity Funds	183.9	147.6
Fixed Income		
Corporate Bond Funds	86.6	86.9
U.S. Government Securities	26.1	24.1
International Bonds	57.2	42.4
Total Managed Investments	668.8	576.6
Receivables	4.3	3.7
Cash and Other Assets	12.7	21.3
Total Assets	**$ 685.8**	**$ 601.6**

The decrease in the System's cash is attributable to the System increasing its investment in pooled international equities, private equity, and pooled real estate investment funds. The System's overall returns as published in Public Employee Retirement Administration Commission's (PERAC) annual report for the past three years were 16.83% in 2017, 7.01% in 2016, and .40% in 2015. As published in PERAC's annual report, during the period from 1985 to 2017 the System has achieved a return of 9.01% in annual performance.

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the System by members and employees for the years ended December 31, 2017 and 2016 are summarized below:

	($ in millions) December 31, 2017	($ in millions) December 31, 2016
Member Contributions	$ 17.3	$ 16.8
Employer and Other Contributions	39.7	38.2
Total	**$ 57.0**	**$ 55.0**

The member contributions increased by 3%, while employer contributions increased by 4%. The increase in employer and other contributions are primarily due to a 3% increase in pension appropriations and the increase in member contributions is primarily due to a 3% increase in member deductions, which is commensurate with active member salary increases. The employer contributions are based on actuarial calculations.

Deductions from System assets for the year ended December 31, 2017 and 2016 are summarized below:

	($ in millions) December 31, 2017	($ in millions) December31, 2016
Member Benefits	$ 59.5	$ 56.1
Refunds and Transfers	6.0	5.3
Administration	0.9	1.1
Total	**$ 66.4**	**$ 62.5**

The change in member benefits is attributable to increases in monthly benefits and newer retirees. The change in refunds and transfers is attributable to payments to other retirement systems.

ECONOMIC FACTORS

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the System at December 31, 2017 (based on the latest actuarial valuation completed was as of January 1, 2018), is as follows:

2017	2016
68.6%	64.17%

PLAN AMENDMENTS

Any changes in benefits or other matters related to the System require an action by the State Legislature. Many also require local acceptance by the governing body of the member units.

OTHER

Other than changes in the fair value of System assets as may be impacted by the stock and bond markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bristol County Retirement System, 645 County Street, County Crossing, Taunton, MA 02780.

BASIC FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2017

ASSETS		
Cash and short-term investments	$	12,377,224
Receivables		
Employee		993,039
Employer		63,928
Securities sold		980,466
Interest and dividends		321,775
Other systems		1,967,176
Total receivables		4,326,384
Investments, at fair value		
Domestic equities and funds		164,322,445
Real estate funds		58,569,799
Venture capital funds		58,533,914
Hedge funds		33,638,138
International equities and funds		183,946,319
Fixed income		
Domestic bonds and funds		86,557,873
U.S. government security		26,128,134
International bonds and funds		57,223,787
Total investments		668,920,409
Other assets		140,495
Total assets	$	685,764,512
LIABILITIES		
Due to brokers and investment managers	$	1,531,525
Due to other systems		3,356,960
Accounts payable		268,280
Total liabilities		5,156,765
NET POSITION RESTRICTED FOR PENSIONS	$	680,607,747

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

ADDITIONS	
Contributions	
Employer	$ 37,652,388
Plan Members	17,328,977
Other systems and state	1,883,057
Miscellaneous	135,520
Total contributions	56,999,942
Investment Income	
Net increase (decrease) in fair value of investments	
Domestic equities and funds	30,993,913
Real estate funds	3,135,650
Venture capital funds	3,856,036
Hedge funds	2,520,859
International equities and funds	35,872,834
Domestic bonds and funds	2,700,626
U.S. government security	323,359
International bonds and funds	3,422,642
Interest and dividends	14,834,209
	97,660,128
Less investment expense	(5,434,327)
Net investment income	92,225,801
Total additions	149,225,743
DEDUCTIONS	
Benefits	59,506,314
Refunds and transfers of contributions	5,976,930
Administrative and other expenses	919,117
Total deductions	66,402,361
NET CHANGE IN FIDUCIARY NET POSITION	82,823,382
Fiduciary Net Position, Beginning of Year	597,784,365
Fiduciary Net Position, End of Year	$ 680,607,747

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

The following brief description of the System is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws, the System's Retirement Guide, and other applicable statements, for more complete information.

General

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit pension plan covering eligible County and local municipal employees, except teachers covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the System is the Retirement Board, which acts as a fiduciary for investment of the funds and the application of System interpretations.

As of January 1, 2018 the date of the latest updated valuation, the System's membership consisted of:

	2017
Retirees and beneficiaries currently receiving benefits	2,219
Inactive participants	772
Disabled participants	281
Active participants	3,220
	6,492

Benefits

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with ten years of service if in group 1, 55 years of age with ten years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

Contributions

The contributions rates for active members are pursuant to statute. Active members contribute 5, 7, 8, or 9% of their gross regular compensation depending on the date upon which their membership began and certain employees contribute an additional 2% over $30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission ("PERAC") actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are the responsibility of the system.

Employer contributions are based on an actuarial calculation. The System and its members determine and pay pension costs on an accrual basis. Employer contributions are due semiannually on a fiscal year basis in July and January; however, in 2017, the System authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st. The Commonwealth of Massachusetts currently reimburses the System on a semi-annual basis for increases granted to retirement members between 1981 and 1997.

Participating Employers

As of December 31, 2017, there were 37 participating employers consisting of:

Towns	14
County	1
Special districts and housing authorities	22
	37

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration Commission (PERAC).

The Chairman of the System's Board of Directors also serves as Treasurer for Bristol County, which is a member of the System.

Tax Status

The System is a qualified plan under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Bristol County Retirement System (System) also referred to as the (Plan).

Basis of Accounting

The accompanying financial statements of the Bristol County Retirement System have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

Bristol County Retirement System is a special-purpose government engaged only in fiduciary activities. The financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of trade dates. Member and employer contributions are established by statute. Member contributions are a percentage of salaries and are recognized in the period in which employees' salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The System is administered by the Bristol County Retirement Board (Board) and is governed by Chapter 32 of the Massachusetts General Laws and other applicable statutes. Administrative expenses are paid with funds provided by operations of the plan.

Fair Value Measurement

The System measures assets and liabilities at fair value according to the hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk. The following levels are considered:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.
- Level 3 inputs are unobservable for an asset or liability.

Cash and short-term investments

Cash and cash equivalents are considered to be cash on hand and demand deposits with an original maturity date of three months or less. Short term investments are marketable securities, stated at fair value, that are expected to be sold or converted to cash within three to twelve months from December 31, 2017. Short-term investments include bills, notes and commercial paper, valued at fair value. All short term investments are measured using level 1 inputs. For more information regarding cash and short-term investments, see Note 3.

Accounts Receivable

Accounts receivable consist of employee deductions, securities sold, amounts due from other systems and interest and dividends receivable. These receivables are considered to be 100% collectible and there is no allowance for uncollectible accounts.

Investments, at fair value

Investments are reported at fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds and mutual funds, is determined by the respective fund trustee based on quoted sales prices of the underlying securities. The fair value of real estate funds is provided by the fund's manager based on the value of the underlying real estate properties as determined from independent appraisals. Securities for which such valuations are unavailable are reported at their fair value as estimated in good faith by the Board based on the information provided by the investment managers responsible for such investments. Fair values for investments in pooled investment vehicles (non-exchange traded commingled funds) are based on the commingled fund's published net asset value (NAV) which are valued based on the underlying marketable securities or in the absences of readily ascertainable market values, the price of identical or similar securities.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, and investment income from real estate and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the System's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the System's real estate investment management fees.

The System may invest in various traditional financial instruments that fall under the broad definition of derivatives, which may include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the System's investment policy.

Investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the amounts reported in the statement of System's net position.

For more information regarding the fair values of investments, see Note 3.

Other Assets

Other assets consist of two condominiums which are owned by a Trust that is related to the System. The System's administrative offices are located in the condominiums, which were purchased via funding by the member units and general funds. Carrying amount approximates cost, net of accumulated depreciation.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of fiduciary net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fiduciary net position that applies to a future period and so will not be recognized as an outflow of resources (deduction). There were no deferred outflows of resources at December 31, 2017.

In addition to liabilities, the statement of fiduciary net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (addition). There were no deferred inflows of resources at December 31, 2017.

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make significant estimates and assumptions that affect the reported amounts of net position held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in Plan net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the System and the actuarial information in Schedule in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

3. CASH AND SHORT TERM INVESTMENTS, AND INVESTMENTS

The System maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. At December 31, 2017, cash and short-term investment deposits totaled $13,234,914 and had a carrying amount of $12,377,224. Of the deposit amounts, $10,686,671 was exposed to custodial credit risk at December 31, 2017, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices, and;
- Level 3 – Unobservable inputs.

The System has the following recurring fair value measurements as of December 31, 2017:

		Fair Value Measurements Using		
	12/31/2017	**Level 1**	**Level 2**	**Level 3**
Investments by fair value level:				
Debt securities:				
U.S. Treasury securities	$ 26,128,134	$ 26,128,134	$	$
Auto loans receivable	18,705		18,705	
CMO	3,045,768		3,045,768	
Corporate bonds	17,010,190	17,010,190		
Credit card receivable	870,409		870,409	
FNMA	171,111		171,111	
Municipal bonds	1,094,804		1,094,804	
Other asset backed	4,613,152		4,613,152	
Total debt securities	52,952,273	43,138,324	9,813,949	
Equity securities:				
Capital markets	6,194,676	6,194,676		
Healthcare providers and service	8,879,273	8,879,273		
Banking	9,702,154	9,702,154		
Insurance	10,432,046	10,432,046		
Electronic equipment	6,737,040	6,737,040		
Semiconductors	9,325,177	9,325,177		
International	32,099,270	32,099,270		
Other	54,153,131	54,153,131		
Total equity securities	137,522,767	137,522,767		
Pooled investments:				
Equity mutual funds-international	74,353,337	74,353,337		
Fixed income mutual funds-domestic	59,733,734	59,733,734		
Fixed income mutual funds-international	13,539,413	13,539,413		
Real estate investment trusts	13,130,928	13,130,928		
Total pooled investments	160,757,412	160,757,412		
Total investments by fair value level	351,232,452	$ 341,418,503	$ 9,813,949	$
Investments measured at net asset value (NAV):				
Pooled domestic equities	58,898,948			
Pooled international equities	77,493,712			
Pooled international fixed income	43,684,374			
Private equity funds	54,292,955			
Hedge funds	33,638,138			
Timberland funds	4,240,959			
Real estate funds	45,438,871			
Total investments measured at NAV	317,687,957			
Total investments measured at fair value	$ 668,920,409			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using the following approaches:

- Municipal Bonds: quoted prices for similar securities in active markets;
- Collateralized Mortgage Obligations (CMO), Auto Loans, Credit Card Receivable, Federal National Mortgage Association (FNMA), and Other Asset Backed Securities: matrix pricing based on the securities' relationship to benchmark quoted prices.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered select "pooled investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships and private investment trusts. If December 31 statements are available, these values are used preferentially. However, some partnerships/trusts are unable to provide statements timely. If December 31 valuations are not available, the value is derived from the most recently available valuation, taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption terms and fair value of the pooled investments measured at NAV:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled domestic equities (1)	$ 58,898,948	$	Daily	1 - 10 days
Pooled international equities (2)	77,493,712		Daily	5 days
Pooled international fixed income (3)	43,684,374		Daily	1 - 10 days
Private equity funds (4)	54,292,955	44,188,414	Ineligible	N/A
Hedge funds (5)	33,638,138		Quarterly	45 - 90 days
Timberland funds (6)	4,240,959	1,240,366	Ineligible	N/A
Real estate (7)	45,438,871	9,401,495	Daily/ Ineligible	1 day / N/A
Total investments measured at NAV	$ 317,687,957			

1. *Pooled domestic equities.* This type includes investments in two (2) private investment trusts that invest primarily in certain common stocks of companies or American Depository Receipts traded on major U.S. stock exchanges. The fair values of the investments in this type have been determined using the NAV per share of the investments. The underlying assets are valued using the market approach for quotations that are readily available; for investments whose quotations are not readily available, the trustee determines the fair value in good faith using applicable valuation inputs.

2. *Pooled international equities.* This type includes two (2) private investment trusts that invest primarily in equity securities outside of North America. Both trusts provide exposure to economies that offer different business cycles and growth opportunities than North American markets. The fair values of the investments in this type have been determined using the NAV per share of the investments. The underlying assets are valued using the market approach, or if information is not available, then valuation procedures are performed in good faith by the investment manager.

3. *Pooled international fixed income.* This type includes two (2) private investment trusts that invest primarily in international fixed income securities issued by foreign governments, their agencies, corporations and local/quasi-governmental entities. The investments also include exposure to derivative instruments created to hedge or gain exposure to emerging market fixed income securities. The fair values of the investments in this type are determined using the NAV per share. The market approach is used to value the underlying investments within each fund.

4. *Private equity funds*. This type includes investments in nine (9) private equity funds that invest in limited partnerships and limited liability companies in the form of investee funds (primary and secondary) and direct investments in partnership units and common stock. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital of the investments. These investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 14 years.

5. *Hedge funds*. This type includes investments in one (1) hedge fund which is invested on behalf of the System by the Pension Reserves Investment Trust (PRIT) Fund. The hedge fund invests in event-driven strategies such as credit-event, equity-event, multi-event driven, and stressed/distressed credit positions. The fair values of the investment in this type have been determined using the NAV per share. Redemption frequency for this investment is quarterly with 45 – 90 days' notice.

6. *Timberland funds*. This type includes investments in two (2) funds that acquire, hold, lease, mortgage, sell, exchange, dispose and otherwise exercise control over timberland property. Properties are primarily located in the U.S., Brazil and Austria. The fair values of the funds have been determined using the NAV per share. The investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 7 years.

7. *Real Estate*. This type includes six (6) privately held real estate investment trusts that focus on acquiring, holding and disposing of residential and commercial real estate. Other strategies include capitalizing on the current dislocation in the residential and commercial mortgage loan and structured securities markets. Two (2) of the six (6) investments can never be redeemed. Distributions from the non-redeemable funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 4 years.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Equity securities, money market funds, repurchase agreements, international equity funds and equity mutual funds are not rated as to credit risk. The investment policy of the System does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2017, the System had $52,952,273 of individual debt securities. In addition, the System held $59,733,734 of domestic fixed income mutual funds and $57,223,787 of international fixed income funds. The average rating for domestic fixed income mutual funds was BBB+ (all managed by PIMCO and are based on Moody's ratings) and the average rating of international fixed income funds was AA-, BB+ and BB (for funds managed by Colchester Global, Stone Harbor and Ashmore, respectively, and are based on S&P ratings).

At December 31, 2017, the System's individual debt securities had the following ratings:

Ratings by S&P

		S&P Rating					
Investment Type	**Fair Value**	**AAA**	**AA**	**A**	**BBB**	**BB**	**Not Rated**
Auto Loans Receivable	$ 18,705	$ 18,705	$	$	$	$	$
CMO	3,045,768	2,903,296					142,472
Corporate Bonds	17,010,190	147,637	334,703	5,357,700	11,006,006	164,144	
Credit Card Receivable	870,409	651,393					219,016
FNMA	171,111						171,111
Government Issues	26,128,134		26,128,134				
Municipals	1,094,804		1,040,170	54,634			
Other Asset Backed	4,613,152	1,208,209	543,746	-	122,795	-	2,738,402
Total Debt Securities	$52,952,273	$4,929,240	$28,046,753	$5,412,334	$11,128,801	$164,144	$ 3,271,001

Ratings by Moody's

		Moody's Rating					
Investment Type	**Fair Value**	**Aaa**	**Aa**	**A**	**Baa**	**Ba**	**Not Rated**
Auto Loans Receivable	$ 18,705	$ 18,705	$	$	$	$	$
CMO	3,045,768	2,903,296					142,472
Corporate Bonds	17,010,190	2,771,766	1,137,930	142,168	10,976,605	1,081,130	900,591
Credit Card Receivable	870,409	870,409					
FNMA	171,111	171,111					
Government Issues	26,128,134	26,128,134					
Municipals	1,094,804	60,062	677,262	357,480			
Other Asset Backed	4,613,152	1,531,499	-	378,811	-	-	2,702,842
Total Debt Securities	$52,952,273	$34,454,982	$1,815,192	$878,459	$10,976,605	$1,081,130	$3,745,905

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the System does not formally address interest rate risk; however, the Board provides guidelines with each investment manager, as applicable. The average maturity as of December 31, 2017 for the domestic fixed income mutual funds is 8.83 years and the average maturity for the international fixed income funds is 7.43, 8.55 and 9.18 years (for Colchester Global, Stone Harbor and Ashmore Fixed Income, respectively).

The following represents the System's individual debt securities' maturities as of December 31, 2017:

	Investment Maturities (in Years)				
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Auto Loans Receivable	$ 18,705	$	$ 18,705	$	$
CMO	3,045,768				3,045,768
Corporate Bonds	17,010,190		6,558,840	6,473,315	3,978,035
Credit Card Receivable	870,409		870,409		
FNMA	171,111		171,111		
Government Issues	26,128,134	129,233	13,740,002	7,062,226	5,196,673
Municipals	1,094,804	54,634	508,494		531,676
Other Asset Backed	4,613,152	-	1,678,410	1,026,796	1,907,946
Total Debt Securities	$ 52,952,273	$ 183,867	$ 23,545,971	$14,562,337	$ 14,660,098

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The System's investment policy does not formally address foreign currency risk. The following table represents the System's foreign currency exposure by investment type at December 31, 2017:

Currency	**Cash**	**Equity**	**Real Estate**	**Total**
Australian Dollar	$ 590	$ 770,693	$ 716,034	$ 1,487,317
Brazilian Real	18,781	850,474		869,255
Canadian Dollar	912	231,118	261,451	493,481
Swiss Franc	976	1,742,214		1,743,190
Czech Koruna	1,898			1,898
Danish Krone	1,022	154,541		155,563
Euro	14,142	7,066,818	864,609	7,945,569
British Pound	2,953	2,753,044	888,436	3,644,433
Hong Kong Dollar	4,662	3,054,876	660,802	3,720,340
Hungarian Forint	6,656	156,236		162,892
Japanese Yen	9,271	9,068,482	667,134	9,744,887
South Korean Won	4,756	1,428,642		1,433,398
Mexican Peso	893			893
Malaysian Ringgit	2,607			2,607
Norwegian Krone		160,118		160,118
New Zealand Dollar	854			854
Swedish Krona	4,088	972,120		976,208
Singapore Dollar		108,414	164,093	272,507
Turkish Lira	-	601,969	-	601,969
Total	$ 75,061	$ 29,119,759	$ 4,222,559	$ 33,417,379

Concentration of credit risk is assumed to arise when the amount of investments that the System has with anyone issuer exceeds 5% or more of the total value of the System's investments. The System does not have more than 5% of its investments in any one issuer, except for certain pooled funds when the underlying investments are held with more than one issuer.

Schedule of investment returns

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2017 was 15.65%, which has been calculated in accordance with the Provisions of GASB #67, *Financial Reporting for Pension Plans*.

4. ACTUARIAL VALUATION

Components of the net pension liability as of December 31, 2017

Total Pension Liability	\$ 992,655,817
The Pension Plan's Fiduciary Net Position	\$ 680,607,747
Net Pension Liability	\$ 312,048,070

The Pension Plan's Fiduciary Net Position as a percentage of Total Pension Liability	68.56%

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open group
Remaining amortization period	11 years
Asset valuation method	Market Value

Actuarial assumptions:

Investment rate of return	7.75%	
Projected salary increases	Service	Rate
	0-1	5.50%
	2	4.00%
	3-4	3.50%
	5-7	3.00%
	8+	2.75%
Cost-of-living adjustments	3.00% of the lesser of the pension amount and \$18,000 per year	
Discount rate	7.75%	
Inflation	4.00%	
Rates of retirement	Varies based upon age for general employees, police, and fire employees	
Rates of disability	Varies based upon age for general employees, police, and fire employees. General employees –35% ordinary, 65% service connected Police & Fire – 5% ordinary, 95% service connected	
Mortality rates	Pre-Retirement – RP-2014 Blue Collar Mortality Table with Scale MP-2014, fully generational.	

	Healthy Retiree – Group 1 & 2 retirees are represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retirees are represented by the RP-2014 Blue Collar Mortality Table set forward three years for males and six years for females, fully generational.
	Disabled Retirees – Group 1 & 2 disabled retirees are represented by the RP-2000 Mortality Table set forward six years. Group 4 disabled retirees are represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.
Family Composition	Assumption that 80% of members will be survived by a spouse, and that females are three years younger than males.
Survivor Benefits	Occupational Death – Survivors of a member who dies due to an occupational injury will be entitled to a lump sum return of contributions plus a pension benefit equal to 72% of the participants annual salary
	Non-Occupational Death – Upon the death of a member other than due to an occupational injury, the designated beneficiary will be entitled to a retirement benefit as if Option C had been elected with a minimum of $250 per month to the surviving spouse, plus $120 for the first child, plus $90 for each additional child. If no beneficiary is designated and if the employee worked two years, and is married at least one year, the spouse may elect benefits. If there is no designated beneficiary or surviving spouse, then member contributions are returned. If there are dependent children but no surviving spouse, they may elect minimum survivor benefits of $250 per month plus $120 for the first child and $90 each additional child.
	Refund of contributions – Upon the death of a member not entitled to survivor benefits, the beneficiary is entitled to a refund of all member contributions with interest.
Cost-of-Living Adjustments	In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a cost-of-living adjustment (COLA) will be determined by an annual vote of the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3.0%, beginning on July 1. All retirees, disabled retirees, and beneficiaries who have been receiving benefits payments for at least one year as of July 1 are eligible for the adjustment. The maximum amount of pension benefit subject to a COLA is $18,000. All COLA's granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the State and not the liability of the Retirement System.

For financial reporting purposes, the projection of benefits for the System does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the Plan reaches a full funding status by 2040.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%)

	1% decrease (6.75%)	Current Discount Rate (7.75%)	1% increase (8.75%)
Bristol County Retirement System's net pension liability as of December 31, 2017	$423,489,749	$312,048,070	$218,181,423

The Plan Fiduciary Net Position as a percentage of the Total Pension liability is 68.6%

Investment policy

The Plan does not have a formal investment policy. The Board is in the process of formalizing an investment policy. The Board approved target weights and expected rates of return on November 4, 2014.

As of November 4, 2014, the Plan's portfolio target weights and assumed long-term rates of return at the asset class level are as follows:

Asset Class	Portfolio Target Weight	Long term Expected Rate of Return
Equity	46.5%	7.9%
Fixed income	24.5%	4.6%
Private equity	8.5%	10.5%
Real estate funds	7.5%	6.5%
Hedge funds	5.0%	5.9%
Infrastructure	5.0%	7.6%
Timber	3.0%	7.5%

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the System's legally required reserves at December 31, 2017:

	2017	Purpose
Annuity Savings Fund	$ 156,400,000	Active members' contribution balance
Annuity Reserve Fund	51,885,066	Retired members' contribution account
Pension Reserve Fund	472,262,961	Amounts appropriated to fund future retirement benefits
Military Credit	59,720	Members' contribution while on military leave
	$ 680,607,747	

All reserve accounts are funded at levels required by state statute.

6. COMMITMENTS AND CONTINGENCIES

The System is involved in certain lawsuits at December 31, 2017. In the opinion of the System's management, the ultimate resolution of these legal actions will not result in a material loss to the System.

7. RECENT ACCOUNTING PRONOUNCEMENTS

Pronouncements implemented in 2017:

The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68,* which was required to be implemented during fiscal year 2017. This pronouncement did not have a material effect on the System.

The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("OPEB"),* which was required to be implemented in fiscal year 2017. The pronouncement addresses reporting by OPEB plans that administer benefits on behalf of governments. This pronouncement did not have a material effect on the System.

The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* which was required to be implemented in fiscal year 2017. The pronouncement replaces previously issued guidance and improves financial reporting by redefining the hierarchy of generally accepted accounting principles (GAAP). This pronouncement did not have a material effect on the System.

The GASB issued Statement #82, *Pension Issues- an amendment of statements #67, #68, and #73),* which was required to be implemented in 2017. The pronouncement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations for the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This pronouncement did not have a material effect on the System.

Future Pronouncements

The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* which is required to be implemented in fiscal year 2018. The pronouncement replaces previously issued guidance and establishes new accounting and financial reporting requirements for governments whose employees are provided other post-employment benefits. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in fiscal year 2019. The pronouncement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangement that are fiduciary activities. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #85, *Omnibus 2017*, which is required to be implemented in fiscal year 2018. The statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The System expects to implement the pronouncement as applicable.

The GASB issued Statement #87, *Leases,* which is required to be implemented in fiscal year 2020. This statement will increase the usefulness of governments' financial statements by required the reporting of certain lease liabilities that are currently not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #89, *Accounting For Interest Cost Incurred Before the End of a Construction Period,* which is required to be implemented in fiscal year 2020. This Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The System expects to implement the pronouncement as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2017	2016	2015	2014
Total pension liability:				
Service cost	$ 16,358,649	$ 15,729,470	$ 15,124,490	$ 16,427,712
Interest	70,979,193	69,256,778	68,495,323	68,538,354
Experience (Gain) and Loss	39,172,630		23,510,546	
Changes in Plan Provisions			8,062,908	
Change in assumptions			(13,807,975)	
Benefit payments, including refunds of employee contributions	(65,483,244)	(61,382,742)	(62,046,359)	(56,581,624)
Net change in total pension liability	61,027,228	23,603,506	39,338,933	28,384,442
Total pension liability, beginning	931,628,589	908,025,083	868,686,150	840,301,708
Total pension liability, ending (a)	$ 992,655,817	$ 931,628,589	$ 908,025,083	$ 868,686,150
Plan fiduciary net position increase (decrease):				
Member contributions, transfers in, and other	$ 19,347,554	$ 18,716,780	$ 18,270,738	$ 14,991,145
Employer contributions	37,652,388	36,312,416	34,411,381	32,216,280
Net investment income (loss)	92,225,801	33,689,630	(5,679,765)	27,547,920
Retirement benefits and refunds	(65,483,244)	(61,382,742)	(59,773,359)	(52,732,330)
Administrative expenses	(919,117)	(1,149,837)	1,405,035	(1,507,773)
Net increase (decrease) in fiduciary net position	82,823,382	26,186,247	(11,365,970)	20,515,242
Fiduciary net position at beginning of year	597,784,365	571,598,118	582,964,088	562,448,846
Fiduciary net position at end of year (b)	$ 680,607,747	$ 597,784,365	$ 571,598,118	$ 582,964,088
Net pension liability - ending (a) - (b)	$ 312,048,070	$ 333,844,224	$ 336,426,965	$ 285,722,062
Plan fiduciary net position as a percentage of total pension liability	68.56%	64.17%	62.95%	67.11%
Covered-employee payroll	$ 164,456,820	$ 155,392,270	$ 152,406,793	$ 141,877,055
Net pension liability as a percentage of covered employee payroll	189.74%	214.84%	220.74%	201.39%

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS

	2017	2016	2015	2014
Actuarial determined contribution	$ 38,352,544	$ 36,641,656	$ 34,405,310	$ 32,305,486
Discounts on contributions from early payments and adjustments for interest and other payments	(700,156)	(689,802)	(643,501)	(89,206)
Contributions in relation to the actuarially determined contributions	37,652,388	36,312,416	34,411,381	32,216,280
Contribution deficiency (excess)	$	$ (360,562)	$ (649,572)	$
Covered-employee payroll	$ 164,456,820	$ 155,392,270	$ 152,406,793	$ 141,877,055
Contributions as a percentage of covered-employee payroll	22.89%	23.37%	22.58%	22.71%

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See Independent Auditor's Report and notes to required supplementary information.
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BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense calculated in accordance with the provisions of GASB #67, *Financial Reporting for Pension Plans*	15.65%	2.94%	-0.55%	5.29%

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See Independant Auditor's Report and notes to required supplementary information.

NOTE 1 – CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the system's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

The System performs an actuarial valuation bi-annually. The latest valuation date was January 1, 2018. Changes in benefit terms, differences between expected and actual experience and changes in assumptions have been included in these financial statements.

NOTE 2 – CONTRIBUTIONS

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on employer allocation of net pension liability.

NOTE 3 – MONEY WEIGHTED RATE OF RETURN

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

BRISTOL COUNTY RETIREMENT SYSTEM

INDEPENDENT AUDITOR'S REPORT
ON AUDIT OF SPECIFIC ELEMENTS, ACCOUNTS,
AND ITEMS OF FINANCIAL STATEMENTS

LYNCHMARINI & ASSOCIATES INC.
CERTIFIED PUBLIC ACCOUNTANTS
www.LynchMarini.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying schedule of employer allocations of the Bristol County Retirement System, as of and for the year ended December 31, 2017 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the accompanying schedule of pension amounts by employer of the Bristol County Retirement System as of and for the year ended December 31, 2017, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of the employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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508-650-0018

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Norwell, MA 02061
781-871-5850

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Bristol County Retirement System as of and for the year ended December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Bristol County Retirement System as of and for the year ended December 31, 2017, and our report thereon dated September 11, 2018, expressed an unmodified opinion on those financial statements.

Restriction on Use

This report is intended solely for the information and the use of the Bristol County Retirement System management, the Bristol County Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Lynch Marini + Associates Inc

Norwell, Massachusetts
September 11, 2018

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer	FY18 Total Appropriation	Employer Allocation Percent of Total Net Pension Liability
Bristol County	$ 3,635,730	9.6560%
Town of Acushnet	1,161,794	3.0856%
Acushnet Hous. Auth.	23,061	0.0612%
Town of Berkley	524,221	1.3923%
Town of Dartmouth	4,644,743	12.3359%
Dartmouth Hous. Auth.	63,391	0.1684%
Dartmouth Fire Dis. #3	64,367	0.1710%
Dartmouth Fire Dis. #2	10,919	0.0290%
Dartmouth Fire Dis. #1	35,795	0.0951%
Town of Dighton	664,690	1.7653%
Dighton Hous. Auth.	5,377	0.0143%
Dight.-Reh. Reg. School	796,839	2.1163%
Dighton Water Dist.	81,759	0.2171%
Town of Easton	4,054,011	10.7669%
Easton Hous. Auth.	85,283	0.2265%
Town of Freetown	963,251	2.5583%
Freet.-Lakev.Reg. Sch.	691,159	1.8356%
Town of Mansfield	4,212,838	11.1888%
Mansfield Housing	65,312	0.1735%
Brist.Cnty. Mosquito Cont.	123,713	0.3286%
Town of Norton	2,601,305	6.9087%
Norton Housing Auth.	35,919	0.0954%
Town of Raynham	1,899,112	5.0438%
Raynham Hous. Auth.	55,497	0.1474%
Raynham Water Dist.	83,657	0.2222%
Town of Rehoboth	826,206	2.1943%
Town of Seekonk	2,545,846	6.7614%
Seekonk Housin. Auth.	25,831	0.0686%
Seekonk Water District	78,590	0.2087%
Town of Somerset	3,078,552	8.1762%
Somerset Housing Auth.	61,192	0.1625%
Town of Swansea	1,820,075	4.8339%
Swansea Housing Auth.	22,358	0.0594%
Swansea Water District	80,689	0.2143%
Town of Westport	2,315,199	6.1489%
Westport Housing Auth.	11,169	0.0296%
Somerset Berkley Schools	202,938	0.5390%
Total	$ 37,652,388	100.0000%

See notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2017

		Deferred Outflows of Resources			
Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
Bristol County	$ 30,131,330	$ 3,817,116	$ 2,856,554	$ 873,837	$ 7,547,507
Town of Acushnet	9,628,546	1,219,769	912,819		2,132,588
Acushnet Hous. Auth	190,973	24,193	18,105	24,327	66,625
Town of Berkley	4,344,641	550,390	411,886	91,576	1,053,852
Town of Dartmouth	38,493,899	4,876,505	3,649,354	495,659	9,021,518
Dartmouth Hous.Auth	525,488	66,570	49,818	4,616	121,004
Dartmouth Fire Dis.#3	533,602	67,598	50,587	22,928	141,113
Dartmouth Fire Dis.#2	90,494	11,464	8,579	9,669	29,712
Dartmouth Fire Dis.#1	296,757	37,594	28,133	28,799	94,526
Town of Dighton	5,508,579	697,842	522,232	40,753	1,260,827
Dighton Hous. Auth.	44,623	5,653	4,231	7,231	17,115
Dight.-Reh. Reg. School	6,603,867	836,594	626,069	45,254	1,507,917
Dighton Water Dist.	677,456	85,821	64,226	34,875	184,922
Town of Easton	33,597,870	4,256,264	3,185,193	37,580	7,479,037
Easton Hous. Auth	706,788	89,537	67,006	102,147	258,690
Town of Freetown	7,983,118	1,011,321	756,826	462,694	2,230,841
Freet.-Lakev.Reg. Sch	5,727,949	725,631	543,029	129,191	1,397,851
Town of Mansfield	34,914,400	4,423,045	3,310,004	212,147	7,945,196
Mansfield Housing	541,403	68,586	51,327	4,283	124,196
Brist.Cnty.Mosquito.Cont.	1,025,389	129,899	97,209	27,643	254,751
Town of Norton	21,558,443	2,731,079	2,043,813	190,160	4,965,052
Norton Housing Auth	297,694	37,712	28,222	2,548	68,482
Town of Raynham	15,739,065	1,993,864	1,492,117	145,647	3,631,628
Raynham Hous.Auth	459,958	58,268	43,605	41,851	143,724
Raynham Water Dist	693,370	87,838	65,734	25,692	179,264
Town of Rehoboth	6,847,264	867,429	649,144	21,152	1,537,725
Town of Seekonk	21,098,797	2,672,848	2,000,239	270,617	4,943,704
Seekonk Housin. Auth.	214,065	27,118	20,294	22,238	69,650
Seekonk Water District	651,244	82,501	61,740	27,291	171,532
Town of Somerset	25,513,649	3,232,134	2,418,781	1,156,192	6,807,107
Somerset Housing Auth.	507,078	64,238	48,073	43,341	155,652
Town of Swansea	15,084,077	1,910,889	1,430,022		3,340,911
Swansea Housing Auth.	185,356	23,482	17,572	13,211	54,265
Swansea Water District	668,718	84,715	63,397	59,010	207,122
Town of Westport	19,187,505	2,430,722	1,819,042	18,780	4,268,544
Westport Housing Auth.	92,678	11,741	8,786	4,193	24,720
Somerset Berkley Schools	1,681,937	213,072	159,454	46,520	419,046
Total for All Entities	$ 312,048,070	$ 39,531,042	$ 29,583,222	$ 4,743,652	$ 73,857,916

See notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

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BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2017

	Deferred Inflows of Resources				Pension Expense			
Employer	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense	Revenue
Bristol County	$ 492,985	3,621,397	$ 1,588	$ 4,115,970	$ 4,058,005	$ 423,116	$ 4,481,121	$ 187,062
Town of Acushnet	157,534	1,157,227	16,305	1,331,066	1,296,749	(8,032)	1,288,717	59,776
Acushnet Hous. Auth.	3,124	22,953	4,929	31,006	25,721	9,305	35,026	1,186
Town of Berkley	71,083	522,170	511,703	1,104,956	585,125	(200,911)	384,214	26,972
Town of Dartmouth	629,806	4,626,469	1,841	5,258,116	5,184,255	229,699	5,413,954	238,979
Dartmouth Hous. Auth.	8,598	63,157	18,450	90,205	70,771	(6,881)	63,890	3,262
Dartmouth Fire Dis .#3	8,730	64,132	88,826	161,688	71,864	(32,367)	39,497	3,313
Dartmouth Fire Dis. #2	1,480	10,876	21,533	33,889	12,186	(6,342)	5,844	562
Dartmouth Fire Dis. #l	4,856	35,666	11,116	51,638	39,966	9,032	48,998	1,842
Town of Dighton	90,126	662,060	83,165	835,351	741,880	(22,428)	719,452	34,198
Dighton Hous. Auth.	730	5,363	40,870	46,963	6,009	(16,056)	(10,047)	277
Dight.-Reh. Reg. School	108,047	793,699	254,641	1,156,387	889,390	(101,124)	788,266	40,998
Dighton Water Dist.	11,084	81,421	148,016	240,521	91,239	(55,020)	36,219	4,206
Town of Easton	549,701	4,038,029	93,450	4,681,180	4,524,869	(23,465)	4,501,404	208,583
Easton Hous. Auth.	11,563	84,947	18,370	114,880	95,189	39,823	135,012	4,388
Town of Freetown	130,613	959,467	87,078	1,177,158	1,075,145	180,271	1,255,416	49,561
Freet.-Lakev.Reg. Sch.	93,716	688,425	609,826	1,391,967	771,425	(232,631)	538,794	35,560
Town of Mansfield	571,241	4,196,259	893,183	5,660,683	4,702,176	(334,969)	4,367,207	216,756
Mansfield Housing	8,858	65,070	15,862	89,790	72,916	(5,820)	67,096	3,361
Brist.Cnty.Mosquito.Cont.	16,776	123,238	69,381	209,395	138,096	(21,228)	116,868	6,366
Town of Norton	352,722	2,591,046	1,180	2,944,948	2,903,432	77,329	2,980,761	133,840
Norton Housing Auth.	4,870	35,779	2,482	43,131	40,095	(271)	39,824	1,848
Town of Raynham	257,509	1,891,632	48,860	2,198,001	2,119,696	48,844	2,168,540	97,712
Raynham Hous. Auth.	7,526	55,281	5,195	68,002	61,946	14,812	76,758	2,856
Raynham Water Dist	11,345	83,334	60,277	154,956	93,381	(18,277)	75,104	4,305
Town of Rehoboth	112,029	822,953	66,386	1,001,368	922,170	(15,781)	906,389	42,509
Town of Seekonk	345,201	2,535,802	67,020	2,948,023	2,841,528	98,613	2,940,141	130,986
Seekonk Housin. Auth.	3,502	25,728	3,800	33,030	28,830	8,981	37,811	1,329
Seekonk Water District	10,655	78,271	139,352	228,278	87,709	(53,727)	33,982	4,043
Town of Somerset	417,433	3,066,410	427,991	3,911,834	3,436,111	367,515	3,803,626	158,394
Somerset Housing Auth.	8,297	60,944	9,501	78,742	68,292	13,707	81,999	3,148
Town of Swansea	246,793	1,812,911	271,692	2,331,396	2,031,484	(122,311)	1,909,173	93,645
Swansea Housing Auth.	3,033	22,277		25,310	24,962	6,161	31,123	1,151
Swansea Water District	10,941	80,371	233,435	324,747	90,059	(84,744)	5,315	4,152
Town of Westport	313,930	2,306,090	30,105	2,650,125	2,584,123	(6,628)	2,577,495	119,120
Westport Housing Auth.	1,517	11,139	1,125	13,781	12,482	985	13,467	575
Somerset Berkley Schools	27,519	202,147	384,892	614,558	226,517	(159,165)	67,352	10,442
Total for All Entities	$ 5,105,473	$ 37,504,140	$ 4,743,426	$ 47,353,039	$ 42,025,793	$ 15	$ 42,025,808	$ 1,937,263

See notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

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BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer	Deferred Inflows/(Outflows) Recognized in Future Pension Expense June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Covered Employer Payroll
Bristol County	$ 2,089,272	$ 1,592,663	$ 91,919	$ (342,318)	$ 5,019,635
Town of Acushnet	502,352	382,328	26,216	(109,374)	5,785,644
Acushnet Hous. Auth.	22,162	16,440	(789)	(2,194)	62,227
Town of Berkley	(27,437)	(12,341)	38,018	(49,344)	3,056,984
Town of Dartmouth	2,318,992	1,767,542	114,156	(437,288)	20,009,363
Dartmouth Hous. Auth.	19,010	14,916	2,824	(5,951)	297,445
Dartmouth Fire Dis. #3	(13,911)	(8,515)	7,890	(6,039)	748,078
Dartmouth Fire Dis. #2	(3,937)	(2,138)	2,927	(1,029)	143,352
Dartmouth Fire Dis. #1	28,031	20,379	(2,169)	(3,353)	112,073
Town of Dighton	259,339	201,325	27,406	(62,594)	4,036,032
Dighton Hous. Auth.	(18,242)	(13,231)	2,122	(497)	96,479
Dight.-Reh. Reg. School	221,538	173,130	31,884	(75,022)	4,554,269
Dighton Water Dist.	(35,549)	(23,906)	11,570	(7,714)	548,790
Town of Easton	1,766,904	1,339,083	73,576	(381,706)	18,124,306
Easton Hous. Auth.	88,815	65,994	(2,968)	(8,031)	303,207
Town of Freetown	654,136	490,608	(381)	(90,680)	3,935,779
Freet.-Lakev. Reg. Sch.	3,761	14,804	52,406	(65,087)	4,587,661
Town of Mansfield	1,418,843	1,101,150	161,148	(396,628)	21,254,745
Mansfield Housing	21,204	16,558	2,779	(6,135)	301,313
Brist. Cnty. Mosquito Cont.	24,892	21,455	10,641	(11,632)	775,500
Town of Norton	1,239,101	948,763	77,170	(244,930)	12,539,421
Norton Housing Auth.	15,281	11,871	1,577	(3,378)	212,266
Town of Raynham	898,619	680,745	33,068	(178,805)	8,171,286
Raynham Hous. Auth.	44,184	33,624	1,749	(3,835)	162,742
Raynham Water Dist	11,778	11,275	9,121	(7,866)	637,986
Town of Rehoboth	350,609	261,576	1,961	(77,789)	3,665,867
Town of Seekonk	1,246,916	944,567	43,910	(239,712)	11,695,609
Seekonk Housin. Auth.	22,596	16,872	(414)	(2,434)	56,066
Seekonk Water District	(34,776)	(23,978)	9,415	(7,407)	605,809
Town of Somerset	1,853,114	1,374,464	(42,438)	(289,867)	11,263,883
Somerset Housing Auth.	45,771	34,505	874	(4,240)	218,317
Town of Swansea	650,651	493,855	36,364	(171,355)	8,178,998
Swansea Housing Auth.	17,174	13,137	743	(2,099)	78,877
Swansea Water District	(75,829)	(52,416)	18,216	(7,596)	905,677
Town of Westport	1,006,089	768,669	61,632	(217,971)	10,848,000
Westport Housing Auth.	6,441	4,904	350	(756)	41,097
Somerset Berkley Schools	(112,751)	(81,432)	17,771	(19,100)	1,422,037
Total for All Entities	$ 16,525,143	$ 12,599,245	$ 922,244	$ (3,541,756)	$ 164,456,820

See notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2017

	Discount Rate Sensitivity			Schedule of Contributions			
Employer	1% decrease (6.75%)	Current discount rate (7.75%)	1% increase (8.75%)	Statutory Required Contribution	Contribution in Relation to the Statutory Required Contribution	Contribution Deficiency/ (Excess)	Contributions as a Percentage of Covered Employee Payroll
Bristol County	$ 40,892,065	$ 30,131,330	$ 21,067,515	$ 3,635,730	$ 3,635,730	$	72.43%
Town of Acushnet	13,067,165	9,628,546	6,732,178	1,161,794	1,161,794		20.08%
Acushnet Hous. Auth.	259,175	190,973	133,526	23,061	23,061		37.06%
Town of Berkley	5,896,232	4,344,641	3,037,727	524,221	524,221		17.15%
Town of Dartmouth	52,241,136	38,493,899	26,914,532	4,644,743	4,644,743		23.21%
Dartmouth Hous. Auth.	713,155	525,488	367,416	63,391	63,391		21.31%
Dartmouth Fire Dis. #3	402,738	533,602	207,490	64,367	64,367		8.60%
Dartmouth Fire Dis. #2	122,812	90,494	63,273	10,919	10,919		7.62%
Dartmouth Fire Dis. #l	724,166	296,757	373,089	35,795	35,795		31.94%
Town of Dighton	7,475,845	5,508,579	3,851,540	664,690	664,690		16.47%
Dighton Hous. Auth.	60,559	44,623	31,200	5,377	5,377		5.57%
Dight.-Reh. Reg. School	8,962,290	6,603,867	4,617,354	796,839	796,839		17.50%
Dighton Water Dist.	919,394	677,456	473,670	81,759	81,759		14.90%
Town of Easton	45,596,599	33,597,870	23,491,279	4,054,011	4,054,011		22.37%
Easton Hous. Auth.	959,201	706,788	494,178	85,283	85,283		28.13%
Town of Freetown	10,834,110	7,983,118	5,581,712	963,251	963,251		24.47%
Freet.-Lakev.Reg. Sch.	7,773,557	5,727,949	4,004,922	691,159	691,159		15.07%
Town of Mansfield	47,383,297	34,914,400	24,411,782	4,212,838	4,212,838		19.82%
Mansfield Housing	734,753	541,403	378,544	65,312	65,312		21.68%
Brist. Cnty. Mosquito Cont.	1,391,584	1,025,389	716,941	123,713	123,713		15.95%
Town of Norton	29,257,560	21,558,443	15,073,437	2,601,305	2,601,305		20.75%
Norton Housing Auth.	404,008	297,694	208,144	35,919	35,919		16.92%
Town of Raynham	21,359,920	15,739,065	11,004,589	1,899,112	1,899,112		23.24%
Raynham Hous. Auth.	624,222	459,958	321,598	55,497	55,497		34.10%
Raynham Water Dist.	940,992	693,370	484,798	83,657	83,657		13.11%
Town of Rehoboth	9,292,611	6,847,264	4,787,535	826,206	826,206		22.54%
Town of Seekonk	28,633,762	21,098,797	14,752,058	2,545,846	2,545,846		21.77%
Seekonk Housin. Auth.	290,513	214,065	149,672	25,831	25,831		46.07%
Seekonk Water District	883,821	651,244	455,343	78,590	78,590		12.97%
Town of Somerset	34,625,278	25,513,649	17,838,876	3,078,552	3,078,552		27.33%
Somerset Housing Auth.	688,169	507,078	354,543	61,192	61,192		28.03%
Town of Swansea	20,471,018	15,084,077	10,546,628	1,820,075	1,820,075		22.25%
Swansea Housing Auth.	251,552	185,356	129,599	22,358	22,358		28.35%
Swansea Water District	907,537	668,718	467,561	80,689	80,689		8.91%
Town of Westport	26,039,893	19,187,505	13,415,702	2,315,199	2,315,199		21.34%
Westport Housing Auth.	126,457	92,678	65,480	11,169	11,169		27.18%
Somerset Berkley Schools	2,282,604	1,681,937	1,175,993	202,938	202,938		14.27%
Total for All Entities	$ 423,489,750	$ 312,048,070	$ 218,181,424	$ 37,652,388	$ 37,652,388	$	22.89%

See notes to the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
DECEMBER 31, 2017

1. SCHEDULE OF EMPLOYER ALLOCATIONS

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost- sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. Employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB Statement #68 requires the allocation of the collective pension amounts be consistent with the manner in which contributions to the plan are determined. As permissible under GASB Statement #68, The Schedule of Employer Allocations is used to demonstrate the allocation of Bristol County Retirement System's collective pension amounts. The fiscal year 2018 statutory contributions included in the Schedule of Employer Allocations were based on the actuarial accrued liability and normal cost for each employer.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans shall, on or before October 15 of each year, furnish the actuary with such information as he may require to enable him to determine the amount to be paid for the pension fund thereof for the fiscal year commencing on the next following July 1. The actuary shall, on or before December 15, immediately preceding such fiscal year, determine such amount and specify in a written notice to said board the amount so required to be paid; however, that any community which has a valid and current actuarial report shall only appropriate the amount specified in their actuarial report and the actuary shall not require a larger amount to be appropriated. The System has a valid actuarial reported dated January 1, 2018 which was used as a basis for employer appropriations.

In 2010, the Bristol County Sheriffs functions were taken over by the Commonwealth of Massachusetts. Bristol County continues to pay for the retirement obligations related to previously retired Sheriff's employees. These liabilities are actuarially determined and are included in the County's funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC completed an analysis of the costs and liabilities attributable to the additional benefits payable in accordance with the ERIP.

The accrued liability for the members who accept the ERIP is separately identified in the System's funding schedule and is amortized using straight-line and increasing amortization, as follows:

- Level amortization of the 2010 Early Retirement Incentive by June 30, 2022; $227,493 over 4 years
- Increasing amortization of the 2002 Early Retirement Incentive by June 30, 2023, $3,902,554 over 5 years with 4.5% increasing payments
- Level amortization of the 2003 Early Retirement Incentive by June 30, 2022, $1,383,377 over 4 years

2. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense for all participating employers including differences between expected and actual economic experience; differences between projected and actual investment earnings, net; and changes of assumptions. In 2017, the System conducted an Experience Study as of December 31, 2017 which significantly changed the projected Net Pension Liability for each member unit of the System. The results and allocations of this Experience Study have been allocated to the member units and will be amortized in accordance with GASB 67.

BRISTOL COUNTY RETIREMENT SYSTEM
FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH INDEPENDENT AUDITOR'S REPORT

BRISTOL COUNTY RETIREMENT SYSTEM
INDEX TO FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

INDEX

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Lynch, Malloy, Marini, LLP

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Bristol County Retirement System (the System), as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of December 31, 2016 , and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 6, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 22, Schedule of Contributions on page 23, and the Schedule of Investment Returns on page 24 and Notes to Required Supplementary Information on Page 25, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2017 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
July 26, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Bristol County Retirement System (the System) we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the year ended December 31, 2016.

FINANCIAL HIGHLIGHTS

The fiduciary net position held in trust for pension benefits totaled approximately $598 million at December 31, 2016, and $572 million at December 31, 2015. The net position is available for payment of monthly retirement benefits and other distributions to the System's participants.

The total number of participants in the System as of the last actuarial valuation date, or January 1, 2016, was 6,258 active and retired.

The funded ratio of the System was 64.2% as of December 31, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The System covers substantially all non-teaching employees in the County, 14 municipalities and 22 special districts. Pursuant to Massachusetts General Law (MGL) the System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Contribution rates for active members are set at 5%, 7%, 8% or 9% of gross regular compensation, as defined; depending on the date membership began. Certain employees contribute an additional 2% on compensation over $30,000 per annum.

The System's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. Also included is certain required supplementary information, and Audits of Specific Elements, Accounts, and Items of Financial Statement Schedules.

The System is administered by the Bristol County Retirement Board and is governed by Chapter 32 of the Massachusetts General Laws.

The Statement of Fiduciary Net Position presents the information on the System's assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the System's investments at fair market value, along with cash and short-term investments, receivables, and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the System's net position restricted for pension benefits changed during the year ended December 31, 2016. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The System is on a funding schedule to be 100% funded by the year 2028. The participating governmental entities contribute to this schedule annually based on the status of the biennial actuarial evaluation.

The Required Supplementary Information also includes the Schedule of Changes in the Net Pension Liability and Related ratios, Schedule of Contributions, Schedule of Investment Return and Notes to Required Supplementary Information.

The Audits of Specific Elements, Accounts and Items of Financial Statements include the following pension schedules of Employer Allocations, Pension Amounts by Employer and Notes to the Related Schedules.

FINANCIAL ANALYSIS

ASSET COMPARISON– 2016 compared to 2015

Certain amounts have been reclassified to conform to current year presentation. 2015 amounts presented below have not been reclassified.

	($ in millions) December 31, 2016	($ in millions) December 31, 2015
Domestic Equities and Funds	$ 168.0	$ 218.2
Real Estate Funds	49.1	17.5
Venture Capital Funds	27.4	25.7
Hedge Funds	31.1	35.7
International Equities and Funds	147.6	137.0
Fixed Income:		
Corporate Bond Funds	86.9	94.1
U.S. Government Securities	24.1	10.9
International Bonds	42.4	19.1
Total Managed Investments	576.6	558.2
Receivables	3.7	3.7
Cash and Other Assets	21.3	12.8
Total Assets	$ 601.6	$ 574.7

The increase in the System's cash is attributable to the System liquidating some investments in domestic equities and funds and holding cash for 2017 investments in Intercontinental and Aberdeen funds. Additionally, the decrease in domestic equity funds, and increase in real estate funds, was due to a reclassification of real estate investment trusts (REITs) from domestic equities to real estate funds, which were previously reported as equities. The System's overall returns as published in Public Employee Retirement Administration Commission's (PERAC) annual report for the past three years were 7.01% in 2016, 0.40% in 2015, and 5.50% in 2014. As published in PERAC's annual report, during the period from 1985 to 2016 the System has achieved a return of 8.77% in annual performance. There was no published annual report from PERAC for 2016 available as of the date of this report.

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the System by members and employees for the years ended December 31, 2016 and 2015 are summarized below:

	($ in millions) December 31, 2016		($ in millions) December 31, 2015	
Member Contributions	$	16.8	$	15.1
Employer and Other Contributions		38.2		37.7
Total	$	55.0	$	52.8

The member contributions increased 11% year to year, while employer contributions increased by 1.3%. The increase in member contributions is due the change in timing of payroll processing and remittances to the System from members along with retroactive payments for member units settling union contracts.

Deductions from System assets for the year ended December 31, 2016 and 2015 are summarized below:

	($ in millions) December 31, 2016		($ in millions) December 31, 2015	
Member Benefits	$	56.1	$	53.0
Refunds and Transfers		5.3		6.7
Administration		1.1		1.0
Total	$	62.5	$	60.7

The change in member benefits is attributable to increases in monthly benefits and newer retirees. The change in refunds and transfers is attributable to payments to other retirement systems.

ECONOMIC FACTORS

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the System at December 31, 2016 (the measurement date), determined by an actuarial valuation dated January 1, 2016 is as follows:

2016	2015
64.17%	62.95%

PLAN AMENDMENTS

Any changes in benefits or other matters related to the System require an action by the State Legislature. Many also require local acceptance by the governing body of the member units.

OTHER

Other than changes in the fair value of the System's assets due to volatility in the capital markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bristol County Retirement System, 645 County Street, County Crossing, Taunton, MA 02780.

BASIC FINANCIAL STATMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016

ASSETS		
Cash and short-term investments	$	21,161,709
Receivables		
Employee		1,048,632
Employer		46,886
Securities sold		699,215
Interest and dividends		403,242
Other systems		1,500,951
Total receivables		3,698,926
Investments, at fair value		
Domestic equities and funds		168,041,697
Real estate funds		49,146,641
Venture capital funds		27,391,172
Hedge funds		31,100,310
International equities and funds		147,552,878
Fixed income		
Domestic bonds and funds		86,941,585
U.S. government security		24,108,973
International bonds and funds		42,375,697
Total investments		576,658,953
Other asset		126,935
Total assets		601,646,523
LIABILITIES		
Due to brokers and investment managers		956,967
Due to other systems		2,777,990
Accounts payable		127,201
Total liabilities		3,862,158
NET POSITION RESTRICTED FOR PENSIONS	$	597,784,365

The accompanying notes are an integral part to these financial statements.

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BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

ADDITIONS		
Contributions		
Employer	$	36,312,416
Plan Members		16,776,313
Other systems and state		1,874,250
Miscellaneous		66,217
Total contributions		55,029,196
Investment Income		
Net increase (decrease) in fair value of investments		
Domestic equities and funds		11,530,755
Real estate funds		425,618
Venture capital funds		694,939
Hedge funds		1,389,796
International equities and funds		9,133,295
Domestic bonds and funds		5,487,992
U.S. government security		(110,757)
International bonds and funds		(296,814)
Interest and dividends		10,786,200
		39,041,024
Less investment expense		(5,351,394)
Net investment income		33,689,630
Total additions		88,718,826
DEDUCTIONS		
Benefits		56,087,290
Refunds and transfers of contributions		5,295,452
Administrative and other expenses		1,149,837
Total deductions		62,532,579
NET CHANGE IN FIDUCIARY NET POSITION		26,186,247
Fiduciary Net Position, Beginning of Year		571,598,118
Fiduciary Net Position, End of Year	$	597,784,365

The accompanying notes are an integral part to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

The following brief description of the System is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws, the System's Retirement Guide, and other applicable statements, for more complete information.

General

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit pension plan covering eligible County and local municipal employees, except teachers and other employees covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the System is the Board, which acts as a fiduciary for investment of the funds and the application of System interpretations.

As of January 1, 2016 the date of the latest updated valuation, the System's membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,119
Inactive participants	672
Disabled participants	274
Active participants	3,193
	6,258

Benefits

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with ten years of service if in group 1, 55 years of age with ten years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

Contributions

The contributions rates for active members are pursuant to statute. Active members contribute 5, 7, 8, or 9% of their gross regular compensation depending on the date upon which their membership began and certain employees contribute an additional 2% over $30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission (PERAC) actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the System and all costs are the responsibility of the System.

Employer contributions are based on an actuarial calculation. The System and its members determine and pay pension costs on an accrual basis. Employer contributions are due semiannually on a fiscal year basis in July and January; however, in 2016, the System authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st. The Commonwealth of Massachusetts currently reimburses the System on a semi-annual basis for increases granted to retirement members between 1982 and 1997.

Participating Employers

As of December 31, 2016, there were 37 participating employers consisting of:

Towns	14
County	1
Special Districts	22
Total	37

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration Commission (PERAC).

The Chairman of the System's Board of Directors also serves as Treasurer for Bristol County, which is a member of the System.

Tax Status

The System is a qualified plan under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Bristol County Retirement System (System) also referred to as the (Plan).

Basis of Accounting

The accompanying financial statements of the Bristol County Retirement System have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

Bristol County Retirement System is a special-purpose government engaged only in fiduciary activities. The financial statements are prepared using the accrual basis of accounting under which deductions/expenses are recorded when the liability is incurred, additions are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of trade dates. Member and employer contributions are established by statute. Member contributions are a percentage of salaries and are recognized in the period in which employees' salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The System is administered by the Bristol County Retirement Board (Board) and is governed by Chapter 32 of the Massachusetts General Laws and other applicable statutes. Administrative expenses are paid with funds provided by operations of the plan.

Fair Value Measurement

The System measures assets and liabilities at fair value according to the hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk. The following levels are considered:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.
- Level 3 inputs are unobservable for an asset or liability.

Cash and Short-term Investments

Cash and cash equivalents are considered to be cash on hand and demand deposits with an original maturity date of three months or less. Short term investments are marketable securities, stated at fair value, that are expected to be sold or converted to cash within three to twelve months from December 31, 2016.

Accounts Receivable

Accounts receivable consist of employee deductions, securities sold, amounts due from other systems and interest and dividends receivable. These receivables are considered to be 100% collectible and there is no allowance for uncollectible accounts.

Investments, at Fair Value

Investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds and mutual funds, is determined by the respective fund trustee based on quoted sales prices of the underlying securities. The fair value of real estate funds is provided by the fund's manager based on the value of the underlying real estate properties as determined from independent appraisals. Securities for which such valuations are unavailable are reported at their fair value as estimated in good faith by the Board based on the information provided by the investment managers responsible for such investments. Fair values for investments in pooled investment vehicles (non-exchange traded commingled funds) are based on the commingled fund's published net asset value (NAV) which are valued based on the underlying marketable securities or in the absences of readily ascertainable market values, the price of identical or similar securities.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, and investment income from real estate and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the System's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the System's real estate investment management fees.

The System may invest in various traditional financial instruments that fall under the broad definition of derivatives, which may include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the System's investment policy.

Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the amounts reported in the statement of System's net position.

For more information regarding the fair values of investments, see Note 3.

Other Assets

Other assets consist of two condominiums which are owned by a Trust, whose beneficiaries are the System members. The System's administrative offices are located in the condominiums, which were purchased via funding by the member units and general funds. Carrying amount approximates cost, net of accumulated depreciation.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of fiduciary net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fiduciary net position that applies to a future period and so will not be recognized as an outflow of resources (deduction). There are no deferred outflows of resources as of December 31, 2016.

In addition to liabilities, the statement of fiduciary net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (addition). There are no deferred inflows of resources as of December 31, 2016.

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of net position held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in System's net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the System and the actuarial information included in the Required Supplementary Information Schedule of Changes in the Net Pension Liabilities are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

3. CASH, SHORT TERM INVESTMENTS, AND INVESTMENTS

The System maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. At December 31, 2016, cash and short-term investment deposits totaled $21,951,104 and had a carrying amount of $21,161,709. Of the deposit amounts, $19,337,376 was exposed to custodial credit risk at December 31, 2016, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices, and;
- Level 3: Unobservable inputs.

The System has the following recurring fair value measurements as of December 31, 2016:

		Fair Value Measurements Using		
	12/31/2016	Level 1	Level 2	Level 3
Investments by fair value level:				
Debt securities				
U.S. Treasury securities	$ 24,108,973	$ 24,108,973	$ -	$ -
Auto loans receivable	849,657	-	849,657	-
CMO	4,389,221	-	4,389,221	-
Corporate bonds	19,673,201	19,673,201	-	-
Credit card receivable	728,699	-	728,699	-
FNMA	262,362	-	262,362	-
Municipal bonds	1,148,014	-	1,148,014	-
Other asset backed	5,012,610	-	5,012,610	-
Total debt securities	56,172,737	43,782,174	12,390,563	-
Equity securities				
Financial services industry	21,149,997	21,149,997	-	-
Energy industry	9,454,006	9,454,006	-	-
Technology industry	8,876,515	8,876,515	-	-
International	39,320,689	39,320,689	-	-
Other	69,663,900	69,663,900	-	-
Total equity securities	148,465,107	148,465,107	-	-
Pooled investments				
Equity mutual funds - international	58,799,494	58,799,494	-	-
Fixed income mutual funds - domestic	54,877,821	54,877,821	-	-
Fixed income mutual funds - international	10,095,848	10,095,848	-	-
Real estate investment trusts	20,905,412	20,905,412	-	-
Total pooled investments	144,678,575	144,678,575	-	-
Total investments by fair value level	349,316,419	$ 336,925,856	$ 12,390,563	$ -

Investments measured at net asset value (NAV):	
Pooled domestic equities	$ 58,897,279
Pooled international equities	49,432,695
Pooled international fixed income	32,279,849
Private equity funds	23,522,693
Hedge funds	31,100,310
Timberland funds	3,868,479
Real estate	28,241,229
Total investments measured at NAV	227,342,534
Total investments measured at fair value	$ 576,658,953

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using the following approaches:

- Municipal Bonds: quoted prices for similar securities in active markets;
- Collateralized Mortgage Obligations (CMO), Auto Loans, Credit Card Receivable, Federal National Mortgage Association (FNMA), and Other Asset Backed Securities: matrix pricing based on the securities' relationship to benchmark quoted prices.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered select "pooled investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships and private investment trusts. If December 31 statements are available, these values are used preferentially. However, some partnerships/trusts are unable to provide statements as of December 31, 2016. If December 31 valuations are not available, the value is progressed from the most recently available valuation, taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption terms and fair value of the pooled investments measured at NAV:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled domestic equities (1)	$ 58,897,279	$ -	Daily	1 - 10 days
Pooled international equities (2)	49,432,695	-	Daily	5 days
Pooled international fixed income (3)	32,279,849	-	Daily	1 - 10 days
Private equity funds (4)	23,522,693	39,219,647	Ineligible	N/A
Hedge funds (5)	31,100,310	-	Quarterly	45 - 90 days
Timberland funds (6)	3,868,479	4,242,986	Ineligible	N/A
Real estate (7)	28,241,229	5,577,296	Daily/ Ineligble	1 day / N/A
Total investments measured at NAV	$ 227,342,534			

1. *Pooled domestic equities.* This type includes investments in 2 private investment trusts that invest primarily in certain common stocks of companies or American Depository Receipts traded on major U.S. stock exchanges. The fair values of the investments in this type have been determined using the NAV per share of the investments. The underlying assets are valued using the market approach for quotations that are readily available; for investments whose quotations are not readily available, the trustee determines the fair value in good faith using applicable valuation inputs.
2. *Pooled international equities.* This type includes 1 private investment trust that invests primarily in equity securities outside of North America. The trust provides exposure to economies that offer different business cycles and growth opportunities than North American markets. The fair values of the investment in this type has been determined using the NAV per share of the investment. The underlying assets are valued using the market approach, or if information is not available, then valuation procedures are performed in good faith by the investment manager.
3. *Pooled international fixed income.* This type includes 2 private investment trusts that invest primarily in international fixed income securities issued by foreign governments, their agencies, corporations and local/quasi-governmental entities. The investments also include exposure to derivative instruments created to hedge or gain exposure to emerging market fixed income securities. The fair values of the investments in this type are determined using the NAV per share. The market approach is used to value the underlying investments within each fund.

4. *Private equity funds.* This type includes investments in 11 private equity funds that invest in limited partnerships and limited liability companies in the form of investee funds (primary and secondary) and direct investments in partnership units and common stock. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital of the investments. These investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 15 years.
5. *Hedge funds.* This type includes investments in 1 hedge fund which is invested on behalf of the System by the Pension Reserves Investment Trust (PRIT) Fund. The hedge fund invests in event-driven strategies such as credit-event, equity-event, multi-event driven, and stressed/distressed credit positions. The fair values of the investment in this type have been determined using the NAV per share. Redemption frequency for this investment is quarterly with 45 – 90 days' notice.
6. *Timberland funds.* This type includes investments in 2 funds that acquire, hold, lease, mortgage, sell, exchange, dispose and otherwise exercise control over timberland property. Properties are primarily located in the U.S., Brazil and Austria. The fair values of the funds have been determined using the NAV per share. The investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 8 years.
7. *Real Estate.* This type includes 4 privately held real estate investment trusts that focus on acquiring, holding and disposing of residential and commercial real estate. Other strategies include capitalizing on the current dislocation in the residential and commercial mortgage loan and structured securities markets. 2 of the 4 investments can never be redeemed. Distributions from the non-redeemable funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 2 to 5 years.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Equity securities, money market funds, repurchase agreements, international equity funds and equity mutual funds are not rated as to credit risk. Obligations of the U.S. Government and certain of its agencies are not considered to have credit risk and therefore no rating is disclosed. The investment policy of the System does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2016, the System had \$56,172,737 of individual debt securities. In addition, the System held \$54,877,821 of domestic fixed income mutual funds and \$42,375,697 of international fixed income funds. The average rating for domestic fixed income mutual funds was Baa (all managed by PIMCO and are based on Moody's ratings) and the average rating of international fixed income funds was AA, BBB and BB (for funds managed by Colchester Global, Stone Harbor and Ashmore, respectively, and are based on S&P ratings).

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

At December 31, 2016, the System's individual debt securities had the following ratings:

Ratings by S&P:

		S&P Rating				
Investment Type	**Fair Value**	**AAA**	**AA**	**A**	**BBB**	**Not Rated**
Auto Loans Receivable	$ 849,657	$ 849,657	$ -	$ -	$ -	$ -
CMO	4,389,221	1,333,948	180,025	342,305	-	2,532,943
Corporate Bonds	19,673,201	384,065	507,841	6,745,124	11,725,248	310,923
Credit Card Receivable	728,699	728,699	-	-	-	-
FNMA	262,362	-	-	-	-	262,362
Government Issues	24,108,973	23,918,572	-	190,401	-	-
Municipals	1,148,014	-	1,027,257	120,757	-	-
Other Asset Backed	5,012,610	1,084,825	-	602,931	-	3,324,854
Total Debt Securities	$ 56,172,737	$ 28,299,766	$ 1,715,123	$ 8,001,518	$ 11,725,248	$ 6,431,082

Ratings by Moody's:

		Moody's Rating					
Investment Type	**Fair Value**	**Aaa**	**Aa**	**A**	**Baa**	**Ba**	**Not Rated**
Auto Loans Receivable	$ 849,657	$ -	$ -	$ -	$ -	$ -	$ 849,657
CMO	4,389,221	2,499,044	342,073	342,305	337,430	-	868,369
Corporate Bonds	19,673,201	384,065	433,826	4,822,188	11,395,659	1,004,665	1,632,798
Credit Card Receivable	728,699	416,182	-	-	-	-	312,517
FNMA	262,362	-	-	-	-	-	262,362
Government Issues	24,108,973	23,918,572	-	-	-	-	190,401
Municipals	1,148,014	429,638	-	718,376	-	-	-
Other Asset Backed	5,012,610	1,615,382	-	427,730	-	-	2,969,498
Total Debt Securities	$ 56,172,737	$ 29,262,883	$ 775,899	$ 6,310,599	$ 11,733,089	$ 1,004,665	$ 7,085,602

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the System does not formally address interest rate risk; however, the Board provides guidelines with each investment manager, as applicable. The average maturity as of December 31, 2016 for the domestic fixed income mutual funds is 9.06 years and the average maturity for the international fixed income funds is 7.54, 8.37 and 7.94 years (for Colchester Global, Stone Harbor EMD and Ashmore EM Fixed Income, respectively).

The following represents the System's individual debt securities' maturities as of December 31, 2016:

	Investment Maturities (in Years)				
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Auto Loans Receivable	$ 849,657	$ -	$ 849,657	$ -	$ -
CMO	4,389,221	-	-	-	4,389,221
Corporate Bonds	19,673,201	212,672	6,835,812	7,365,468	5,259,249
Credit Card Receivable	728,699	-	728,699	-	-
FNMA	262,362	-	262,362	-	-
Government Issues	24,108,973	125,038	11,015,797	7,724,307	5,243,831
Municipals	1,148,014	-	663,074		484,940
Other Asset Backed	5,012,610	-	1,645,423	427,730	2,939,457
Total Debt Securities	$ 56,172,737	$ 337,710	$ 22,000,824	$ 15,517,505	$ 18,316,698

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The System's investment policy does not formally address foreign currency risk. The following table represents the System's foreign currency exposure by investment type at December 31, 2016:

Currency	Cash	Equity	Real Estate	Total
Australian Dollar	$ 3,264	$ 1,333,650	$ 1,854,763	$ 3,191,678
Brazillian Real	551	979,897	-	980,448
Swiss Fanc	2,547	2,696,936	-	2,699,483
Czech Korona	1,575	-	-	1,575
Danish Krone	-	290,287	-	290,287
Euro	9,558	9,982,572	1,750,533	11,742,662
British Pound	1	3,235,033	1,046,264	4,281,298
Hong Kong Dollar	4,998	3,088,658	300,977	3,394,633
Hongarian Forint	3,397	108,000	-	111,398
Japanese Yen	47,324	9,099,907	1,373,732	10,520,963
South Korean Won	2,218	1,094,192	-	1,096,410
Mexican Peso	-	178,924	-	178,924
Malaysian Ringgit	2,352	-	-	2,352
New Zealand Dollar	-	296,818	-	296,818
Swedish Krona	4,032	1,387,496	-	1,391,528
Singapore Dollar	-	-	126,998	126,998
Thai Baht	-	292,267	-	292,267
Turkish Lira	-	126,384	-	126,384
South African Rand	-	166,734	-	166,734
Total	$ 81,818	$ 34,357,753	$ 6,453,267	$ 40,892,838

Concentration of credit risk is assumed to arise when the amount of investments that the System has with any one issuer exceeds 5% or more of the total value of the System's investments. The System does not have more than 5% of its investments in any one issuer, except for certain pooled funds.

Schedule of investment returns

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2016 was 2.94%, which has been calculated in accordance with the Provisions of GASB #67, *Financial Reporting for Pension Plans.*

4. ACTUARIAL VALUATION

Components of the net pension liability as of December 31, 2016

Total Pension Liability	$931,628,589
The Pension Plan's Fiduciary Net Position	$597,784,365
Net Pension Liability	$333,844,224

The Pension Plan's Fiduciary Net Position as a percentage of Total Pension Liability	64.17%

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2016
Actuarial cost method	Entry age
Amortization method	Level percent, open group
Remaining amortization period	12 years
Asset valuation method	Actuarially valued using a five-year smoothing of asset returns greater than or less than the assumed rate of return

Actuarial assumptions:

Investment rate of return	7.75%	
Projected salary increases	Service	Rate
	0-1	5.50%
	2	4.00%
	3-4	3.50%
	5-7	3.00%
	8+	2.75%
Cost-of-living adjustments	3.00% of $18,000/year	
Discount rate	7.75%	
Inflation	4.00%	
Rates of retirement	Varies based upon age for general employees, police, and fire employees	
Rates of disability	General employees –35% ordinary, 65% service connected Police & Fire – 5% ordinary, 95% service connected	
Mortality rates	Pre-Retirement – RP-2014 Blue Collar Mortality Table with Scale MP-2014, fully generational.	
	Healthy Retiree – Group 1 & 2 retirees are represented by the RP-2000 Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retirees are represented by the RP-2000 Mortality Table set forward three years for males and six years for females, fully generational.	
	Disabled Retiree – Group 1 & 2 disabled retirees are represented by the RP-2000 Mortality Table set forward six years. Group 4 disabled retirees are represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.	

Family Composition	Assumption that 80% of members will be survived by a spouse, and that females are three years younger than males, males are three years older than females
Survivor Benefits	Occupational Death – Survivors of a member who dies due to an occupational injury will be entitled to a lump sum return of contributions plus a pension benefit equal to 72% of the participants annual salary Non-Occupational Death – Upon the death of a member other than due to an occupational injury, the designated beneficiary will be entitled to a retirement benefit as if Option C had been elected with a minimum of $250 per month to the surviving spouse, plus $120 for the first child, plus $90 for each additional child. If no beneficiary is designated and if the employee worked two years, and is married at least one year, the spouse may elect benefits. If there is no designated beneficiary or surviving spouse, then member contributions are returned. If there are dependent children but no surviving spouse, they may elect minimum survivor benefits of $250 per month plus $120 for the first child and $90 each additional child. Refund of contributions – Upon the death of a member not entitled to survivor benefits, the beneficiary is entitled to a refund of all member contributions with interest.
Cost-of-Living Adjustments	In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a cost-of-living adjustment (COLA) will be determined by a an annual vote of the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3.0%, beginning on July 1. All retirees, disabled retirees, and beneficiaries who have been receiving benefits payments for at least one year as of July 1 are eligible for the adjustment. The maximum amount of pension benefit subject to a COLA is $12,000. All COLA's granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the State and not the liability of the Retirement System. The Bristol County Retirement System has adopted a COLA base of $17,000 for Fiscal Year 2015 and $18,000 for Fiscal Year 2016.

For financial reporting purposes, the projection of benefits for the System does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the Plan reaches a full funding status by 2040.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%)

	1% Decrease	Current Discount Rate	1% Increase
	(6.75%)	(7.75%)	(8.75%)
Bristol County Retirement System's net pension liability as of December 31, 2016	$ 458,228,720	$ 333,844,224	$ 245,856,927

Investment policy

The Plan does not have a formal investment policy. The Board is in the process of formalizing an investment policy. The Board approved target weights and expected rates of return on November 4, 2014.

As of November 4, 2014, the Plan's portfolio target weights and assumed long-term rates of return at the asset class level are as follows:

Asset Class	Portfolio Target Weight	Long Term Expected Rate of Return
Equity	46.5%	7.8%
Fixed income	24.5%	5.0%
Private equity	8.5%	11.3%
Real estate funds	7.5%	6.3%
Hedge funds	5.0%	7.1%
Infrastructure	5.0%	8.0%
Timber	3.0%	7.5%

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the System's legally required reserves at December 31, 2016:

		Purpose
Annuity Savings Fund	$ 152,178,900	Active members' contribution balance
Annuity Reserve Fund	49,286,177	Retired members' contribution account
Pension Reserve Fund	396,256,778	Amounts appropriated to fund future retirement benefits
Military Credit	62,510	Members' contribution while on military leave
	$597,784,365	

All reserve accounts are funded at levels required by state statute.

6. COMMITMENTS AND CONTINGENCIES

The System is involved in certain lawsuits at December 31, 2016. In the opinion of System management, the ultimate resolution of these legal actions will not result in a material loss to the System.

7. RECENT ACCOUNTING PRONOUNCEMENTS

Pronouncements implemented in 2016:

The GASB issued Statement #72, *Fair Value Measurement and Application*, which was required to be implemented in fiscal year 2016. The pronouncement addressed accounting and financial reporting issues related to fair value measurements. The System implemented this pronouncement during the 2016 reporting period.

The GASB issued Statement #79, *Certain External Investment Pools and Pool Participants*, which was required to be implemented in 2016. The pronouncement addressed accounting and financial reporting for certain external investment pools and pool participants. This pronouncement did not materially impact the basic financial statements.

Future Pronouncements

The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*, which is required to be implemented during fiscal year 2017. The system expects to implement the pronouncement as applicable

The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("OPEB")*, which is required to be implemented in fiscal year 2018. The pronouncement addresses reporting by OPEB plans that administer benefits on behalf of governments. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, which is required to be implemented in fiscal year 2018. The pronouncement replaces previously issued guidance and establishes new accounting and financial reporting requirements for governments whose employees are provided other post-employment benefits. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in fiscal year 2017. The pronouncement replaces previously issued guidance and improves financial reporting by redefining the hierarchy of generally accepted accounting principles (GAAP). The System expects to implement the pronouncement as applicable.

The GASB issued Statement #82, *Pension Issues- an amendment of statements #67, #68, and #73)*, which is required to be implemented in 2017. The pronouncement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations for the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The System expects to implement the pronouncement as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

	2016	2015	2014
Total pension liability:			
Service cost	$ 15,729,470	$ 15,124,490	$ 16,427,712
Interest	69,256,778	68,495,323	68,538,354
Benefit payments, including refunds of employee contributions	(61,382,742)	(44,280,880)	(56,581,624)
Net change in total pension liability	23,603,506	39,338,933	28,384,442
Total pension liability, beginning	908,025,083	868,686,150	840,301,708
Total pension liability, ending (a)	$ 931,628,589	$ 908,025,083	$ 868,686,150
Plan fiduciary net position increase (decrease):			
Member contributions	$ 18,716,780	$ 18,270,738	$ 14,991,145
Employer contributions	36,312,416	34,411,381	32,216,280
Net investment income (loss)	33,689,630	(5,679,765)	27,547,920
Retirement benefits and refunds	(61,382,742)	(59,773,359)	(52,732,330)
Administrative expenses	(1,149,837)	1,405,035	(1,507,773)
Net increase (decrease) in fiduciary net position	26,186,247	(11,365,970)	20,515,242
Fiduciary net position at beginning of year	571,598,118	582,964,088	562,448,846
Fiduciary net position at end of year (b)	$ 597,784,365	$ 571,598,118	$ 582,964,088
Net pension liability - ending (a) - (b)	$ 333,844,224	$ 336,426,965	$ 285,722,062
Plan fiduciary net position as a percentage of total pension liability	64.17%	62.95%	67.11%
Covered-employee payroll	$ 155,392,270	$ 152,406,793	$ 141,877,055
Net pension liability as a percentage of covered employee payroll	214.84%	220.74%	201.39%

See Independent Auditor's Report and notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

	2016	2015	2014
Actuarial determined contribution (a)	$ 36,641,656	$ 34,405,310	$ 32,305,486
Discounts on contributions from early payments and adjustments for interest and other payments	(689,802)	(643,501)	(89,206)
Contributions in relation to the actuarially determined contributions	36,312,416	34,411,381	32,216,280
Contribution deficiency (excess)	$ (360,562)	$ (649,572)	$ -
Covered-employee payroll	$ 155,392,270	$ 152,406,793	$ 141,877,055
Contributions as a percentage of covered-employee payroll	23.37%	22.58%	22.71%

(a) Based on the results of the January 1, 2016 actuarial valuation (including assumptions and methods) which determined budgeted appropriations for fiscal year 2016

See Independent Auditor's Report and notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURN
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense calculated in accordance with the provisions of GASB #67, *Financial Reporting for Pension Plans*	2.94%	-0.55%	5.29%

See Independent Auditor's Report and notes to required supplementary information.

NOTE 1 – CHANGES IN THE NET PENSION LIABILITY

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the System's net position as a percentage of total pension liability and the net pension liability as a percentage of covered payroll.

The System performs an actuarial valuation biennially. The latest valuation date was January 1, 2016. Changes in benefit terms, differences between expected and actual experience and changes in assumptions have been included in these financial statements.

NOTE 2 – CONTRIBUTIONS

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

NOTE 3 – MONEY WEIGHTED RATE OF RETURN

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

INDEPENDENT AUDITOR'S REPORT
ON AUDITS OF SPECIFIC ELEMENTS, ACCOUNTS,
AND ITEMS OF FINANCIAL STATEMENTS

LMM
Lynch, Malloy, Marini, LLP
Certified Public Accountants & Advisors
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying schedule of employer allocations of the Bristol County Retirement System (the System), as of and for the year ended December 31, 2016 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the accompanying schedule of pension amounts by employer of the Bristol County Retirement System as of and for the year ended December 31, 2016, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of the employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Bristol County Retirement System as of and for the year ended December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Bristol County Retirement System as of and for the year ended December 31, 2016, and our report thereon dated July 26, 2017, expressed an unmodified opinion on those financial statements.

Restriction on Use

This report is intended solely for the information and the use of the Bristol County Retirement System management, the Bristol County Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
July 26, 2017

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Employer	FY2017 Pension Fund Appropriation	Appropriation E.R.I, Sheriff & Interest	FY2017 Total Appropriation	FY18 Total Appropriation	Allocation Percent of Total Net Pension Liability
Bristol County	$ 1,128,753	$ 2,098,801	$ 3,227,554	$ 3,635,726	9.6566%
Town of Acushnet	1,112,973	15,547	1,128,520	1,161,794	3.0858%
Acushnet Hous. Auth.	14,206	-	14,206	23,061	0.0613%
Town of Berkley	667,480	8,817	676,297	524,221	1.3924%
Town of Dartmouth	4,362,950	208,590	4,571,540	4,644,743	12.3366%
Dartmouth Hous. Auth.	70,316	-	70,316	63,391	0.1684%
Dartmouth Fire Dis. #3	103,431	-	103,431	64,367	0.1710%
Dartmouth Fire Dis. #2	27,731	-	27,731	10,919	0.0290%
Dartmouth Fire Dis. #1	15,646	-	15,646	35,795	0.0951%
Town of Dighton	680,041	45,003	725,044	664,690	1.7654%
Dighton Hous. Auth.	17,928	-	17,928	5,377	0.0143%
Dight.-Reh. Reg. School	862,863	-	862,863	796,839	2.1164%
Dighton Water Dist.	141,676	-	141,676	81,759	0.2172%
Town of Easton	3,824,084	-	3,824,084	4,054,011	10.7676%
Easton Hous. Auth.	51,607	-	51,607	85,283	0.2265%
Town of Freetown	737,668	-	737,668	963,251	2.5584%
Freet.-Lakev.Reg. Sch.	906,522	56,774	963,296	691,159	1.8357%
Town of Mansfield	4,446,743	67,500	4,514,243	4,212,838	11.1895%
Mansfield Housing	71,631	-	71,631	65,312	0.1735%
Brist.Cnty. Mosquito Cont.	153,433	16,730	170,163	123,713	0.3286%
Town of Norton	2,645,062	-	2,645,062	2,601,305	6.9092%
Norton Housing Auth.	39,790	-	39,790	35,919	0.0954%
Town of Raynham	1,698,639	83,763	1,782,402	1,899,112	5.0441%
Raynham Hous. Auth.	43,586	-	43,586	54,480	0.1447%
Raynham Water Dist.	127,398	-	127,398	83,657	0.2222%
Town of Rehoboth	696,096	-	696,096	826,206	2.1944%
Town of Seekonk	2,297,705	89,174	2,386,879	2,545,846	6.7619%
Seekonk Housin. Auth.	12,717	6,028	18,745	25,831	0.0686%
Seekonk Water District	125,229	-	125,229	78,590	0.2087%
Town of Somerset	2,276,419	-	2,276,419	3,078,552	8.1768%
Somerset Housing Auth.	41,552	-	41,552	60,071	0.1596%
Town of Swansea	1,688,110	49,914	1,738,024	1,820,075	4.8342%
Swansea Housing Auth.	16,766	6,400	23,166	22,358	0.0594%
Swansea Water District	168,810	14,239	183,049	80,689	0.2143%
Town of Westport	2,203,041	105,870	2,308,911	2,315,199	6.1493%
Westport Housing Auth.	8,636	-	8,636	10,964	0.0291%
Somerset Berkley Schools	281,268	-	281,268	202,938	0.5390%
Sheriff's retirees	1,657,886	(1,657,886)	-		-
Total	$ 35,426,392	$ 1,215,264	$ 36,641,656	$ 37,650,045	100.0000%

See notes to the schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2016

		Deferred Outflows of Resources			
Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
Bristol County	$ 32,238,102	$ 1,316,407	$ 4,285,499	$ 1,367,871	$ 6,969,777
Town of Acushnet	10,301,662	420,657	1,391,480	-	1,812,137
Acushnet Hous. Auth	204,481	8,349	24,870	38,150	71,369
Town of Berkley	4,648,286	189,808	684,692	124,756	999,256
Town of Dartmouth	41,185,090	1,681,748	5,514,161	776,623	7,972,532
Dartmouth Hous.Auth	562,093	22,952	77,902	6,201	107,055
Dartmouth Fire Dis.#3	570,745	23,306	86,938	31,122	141,366
Dartmouth Fire Dis.#2	96,822	3,953	15,469	13,173	32,595
Dartmouth Fire Dis.#1	317,398	12,961	39,614	45,071	97,646
Town of Dighton	5,893,833	240,669	806,314	55,519	1,102,502
Dighton Hous. Auth.	47,682	1,946	11,000	9,798	22,744
Dight.-Reh. Reg. School	7,065,601	288,516	981,758	61,651	1,331,925
Dighton Water Dist.	724,962	29,604	114,344	47,511	191,459
Town of Easton	35,947,051	1,467,859	4,846,010	58,931	6,372,800
Easton Hous. Auth	756,204	30,879	90,616	160,185	281,680
Town of Freetown	8,541,182	348,770	1,102,986	725,587	2,177,343
Freet.-Lakev.Reg. Sch	6,128,528	250,252	895,017	176,000	1,321,269
Town of Mansfield	37,355,381	1,525,367	5,142,605	289,012	6,956,984
Mansfield Housing	579,127	23,648	79,912	5,756	109,316
Brist.Cnty.Mosquito.Cont.	1,096,968	44,794	156,415	37,626	238,835
Town of Norton	23,065,864	941,869	3,096,534	287,908	4,326,311
Norton Housing Auth	318,493	13,005	43,249	3,472	59,726
Town of Raynham	16,839,494	687,623	2,259,065	228,400	3,175,088
Raynham Hous.Auth	483,080	19,726	61,296	54,890	135,912
Raynham Water Dist	741,794	30,291	106,900	35,000	172,191
Town of Rehoboth	7,326,000	299,148	986,108	33,171	1,318,427
Town of Seekonk	22,574,101	921,788	3,019,214	424,377	4,365,379
Seekonk Housin. Auth.	229,042	9,353	28,667	34,873	72,893
Seekonk Water District	696,859	28,456	109,685	37,179	175,320
Town of Somerset	27,297,622	1,114,668	3,553,955	1,813,118	6,481,741
Somerset Housing Auth.	532,654	21,751	67,894	56,217	145,862
Town of Swansea	16,138,670	659,005	2,206,502	-	2,865,507
Swansea Housing Auth.	198,248	8,095	25,599	20,522	54,216
Swansea Water District	715,470	29,215	123,174	80,391	232,780
Town of Westport	20,528,951	838,278	2,777,271	25,584	3,641,133
Westport Housing Auth.	97,220	3,969	12,811	4,288	21,068
Somerset Berkley Schools	1,799,464	73,479	285,807	63,375	422,661
Total for All Entities	$ 333,814,224	$ 13,632,164	$ 45,111,333	$ 7,233,308	$ 65,976,805

See notes to the schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2016

	Deferred Inflows of Resources			Pension Expense			
Employer	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense	Revenue
Bristol County	$ 773,139	$ -	$ 773,139	$ 4,191,212	$ 494,034	$ 4,685,246	$ 185,826
Town of Acushnet	247.056	23.296	270,352	1.339.299	(7,428)	1,331.871	59.381
Acushnet Hous. Auth.	4,904	6,559	11,463	26,585	12,079	38,664	1,179
Town of Berkley	111.476	802,218	913.694	604,315	(257,478)	346,837	26,794
Town of Dartmouth	987,707	-	987,707	5,354,392	280,964	5.635,356	237,399
Dartmouth Hous. Auth.	13.480	28,934	42.414	73,079	(8,835)	64,244	3,240
Dartmonth Fire Dis .#3	13.687	139.294	152,981	74.199	(42,191)	32.008	3,290
Dartmouth Fire Dis. #2	2,321	33,760	36,081	12,589	(8,728)	3,861	558
Dartmouth Fire Dis. #l	7.612	15,144	22.756	41,264	12,302	53,566	1,830
Town of Dighton	141,348	129,860	271,208	766,247	(32,284)	733,963	33.973
Dighton Hous. Auth.	1.143	64,091	65.234	6,201	(20,615)	(14,414)	275
Dight.-Reh. Reg. School	169,448	398.784	568.232	918.585	(128,090)	790.495	40,727
Dighton Water Dist.	17,386	231,912	249,298	94,250	(71,390)	22,860	4,179
Town of Easton	862.089	124.863	986.952	4.673.410	(11,857)	4,661.553	207,206
Easton Hous. Auth.	18,136	24,977	43,113	98,313	51,395	149,708	4.359
Town of Freetown	204.836	118,156	322.992	1,110.421	231,468	1,341,889	49,233
Freet.-Lakev.Reg. Sch.	146,975	955.756	1.102.731	796.758	(299,479)	497.279	35.326
Town of Mansfield	895,863	1,398,014	2,293,877	4,856,499	(429,662)	4,426,837	215,323
Mansfield Housing	13,888	24.875	38.763	75.290	(7,482)	67.808	3,338
Brist.Cnty.Mosquito.Cont.	26,308	108,803	135,111	142,615	(29,415)	113,200	6.323
Town of Norton	553.170	-	553.170	2,998,748	97,748	3,096.496	132,956
Norton Housing Auth.	7,637	3,882	11,519	41,405	(482)	40,923	1.836
Town of Raynham	403,848	65,468	469,316	2,189,272	65,341	2,254,613	97,066
Raynham Hous. Auth.	11,586	7.077	18.663	62.806	18,006	80.812	2.785
Raynham Water Dist	17,791	94,526	112,317	96,439	(24,940)	71,499	4,276
Town of Rehoboth	175.693	89,967	265.660	952.440	(11,909)	940.531	42.228
Town of Seekonk	541,376	89,709	631,085	2,934,818	129,901	3,064,719	130,121
Seekonk Housin. Auth.	5,493	5,152	10,645	29,778	11,265	41,043	1,320
Seekonk Water District	16,712	218.390	235,102	90.594	(69,239)	21.355	4.017
Town of Somerset	654,656	581,159	1,235,815	3,548,908	502,362	4,051,270	157,349
Somerset Housing Auth.	12.774	12.943	25.717	69.248	16,926	86.174	3.070
Town of Swansea	387,040	418,906	805,946	2,098,155	(147,957)	1,950,198	93,026
Swansea Housing Auth.	4,755	-	4,755	25,776	7,347	33,123	1,143
Swansea Water District	17,159	366.020	383,179	93,021	(111,235)	(18.214)	4.124
Town of Westport	492,329	45,763	538,092	2,668,927	(9,777)	2,659,150	118,333
Westport Housing Auth.	2.332	1.532	3.864	12.642	1,146	13.788	560
Somerset Berkley Schools	43,155	603,519	646,674	233,947	(201,811)	32,136	10.372
Total for All Entities	$ 8,006,308	$ 7,233,309	$ 15,239,617	$ 43,402,447	$	$ 43,402,447	$ 1,924,341

See notes to the schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2016

	Deferred Inflows/(Outflows) Recognized in Future Pension Expense				
Employer	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	Covered Employer Payroll
Bristol County	$ 2,190,365	$ 2,190,365	$ 1,622,995	$ 192,913	$ 4,860,076
Town of Acushnet	534,633	534,633	414,049	58,471	5,115,276
Acushnet Hous. Auth.	22,837	22,837	14,354	(121)	59,068
Town of Berkley	(12,891)	(12,891)	58,787	52,556	3,075,324
Town of Dartmouth	2,448,075	2,448,075	1,845,548	243,128	19,691,996
Dartmouth Hous. Auth.	20,742	20,742	18,597	4,560	291,607
Dartmouth Fire Dis. #3	(12,159)	(12,159)	3,055	9,648	506,204
Dartmouth Fire Dis. #2	(3,634)	(3,634)	550	3,230	131,813
Dartmouth Fire Dis. #1	29,003	29,003	18,077	(1,193)	91,084
Town of Dighton	277,843	277,843	229,721	45,888	3,203,947
Dighton Hous. Auth.	(18,107)	(18,107)	(8,538)	2,260	93,436
Dight.-Reh. Reg. School	243,694	243,694	222,287	54,019	3,938,086
Dighton Water Dist.	(33,243)	(33,243)	(5,220)	13,867	613,356
Town of Easton	1,879,634	1,879,634	1,440,383	186,196	16,972,812
Easton Hous. Auth.	91,186	91,186	56,795	(600)	315,490
Town of Freetown	680,895	680,895	466,205	26,357	3,381,731
Freet.-Lakev. Reg. Sch.	22,997	22,997	100,924	71,620	4,598,887
Town of Mansfield	1,535,934	1,535,935	1,313,103	278,135	20,390,681
Mansfield Housing	22,991	22,991	20,001	4,569	302,536
Brist. Cnty. Mosquito Cont.	28,306	28,306	33,055	14,057	713,340
Town of Norton	1,311,446	1,311,446	1,000,805	149,443	12,083,846
Norton Housing Auth.	16,277	16,277	13,079	2,573	181,216
Town of Raynham	951,415	951,415	717,126	85,815	7,946,808
Raynham Hous. Auth.	43,424	43,424	28,989	1,410	192,803
Raynham Water Dist	14,092	14,092	20,254	11,436	603,085
Town of Rehoboth	373,576	373,576	280,708	24,907	3,090,341
Town of Seekonk	1,317,723	1,317,723	984,203	114,645	10,951,259
Seekonk Housin. Auth.	23,317	23,317	15,309	305	54,977
Seekonk Water District	(32,571)	(32,571)	(6,254)	11,614	554,880
Town of Somerset	1,938,731	1,938,731	1,325,371	43,093	11,172,360
Somerset Housing Auth.	44,954	44,954	29,721	516	195,771
Town of Swansea	701,241	701,241	570,169	86,910	7,458,414
Swansea Housing Auth.	17,778	17,778	12,554	1,351	74,923
Swansea Water District	(73,589)	(73,589)	(23,678)	20,456	731,058
Town of Westport	1,070,433	1,070,433	836,255	125,920	10,308,789
Westport Housing Auth.	6,261	6,261	4,421	261	36,157
Somerset Berkley Schools	(107,126)	(107,125)	(33,156)	23,394	1,408,830
Total for All Entities	$ 17,566,483	$ 17,566,485	$ 13,640,604	$ 1,963,609	$ 155,392,270

See notes to the schedule of employer allocations and schedule of pension amounts by employer.

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BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2016

	Discount Rate Sensitivity			Schedule of Contributions			
Employer	1% decrease (6.75%)	Current discount rate (7.75%)	1% increase (8.75%)	Statutory Required Contribution	Contribution in Relation to the Statutory Required Contribution	Contribution Deficiency/ (Excess)	Contributions as a Percentage of Covered Employee Payroll
Bristol County	$ 44,249,454	$ 32,238,102	$ 23,741,497	$ 3,227,554	$ 3,527,198	(360,562)	72.57%
Town of Acushnet	14,139,874	10,301,662	7,586,570	1,128,520	1,107,220	-	21.65%
Acushnet Hous. Auth.	280,661	204,481	150,582	14,206	13,938	-	23.60%
Town of Berkley	6,380,151	4,648,286	3,423,188	676,297	663,533	-	21.58%
Town of Dartmouth	56,529,926	41,185,090	30,330,427	4,571,540	4,485,257	-	22.78%
Dartmouth Hous. Auth.	771,523	562,093	413,953	70,316	68,989	-	23.66%
Dartmouth Fire Dis. #3	783,402	570,745	420,327	103,431	101,479	-	20.05%
Dartmouth Fire Dis. #2	132,902	96,822	71,310	27,731	27,208	-	20.64%
Dartmouth Fire Dis. #1	435,662	317,398	233,753	15,646	15,351	-	16.85%
Town of Dighton	8,089,778	5,893,833	4,340,473	725,044	711,360	-	22.20%
Dighton Hous. Auth.	65,454	47,682	35,121	17,928	17,590	-	18.83%
Dight.-Reh. Reg. School	9,698,123	7,065,601	5,203,409	862,863	846,577	-	21.50%
Dighton Water Dist.	995,064	724,962	533,886	141,676	139,002	-	22.66%
Town of Easton	49,340,293	35,947,051	26,472,922	3,824,084	3,751,909	-	22.11%
Easton Hous. Auth.	1,037,949	756,204	556,897	51,607	50,633	-	16.05%
Town of Freetown	11,723,477	8,541,182	6,290,086	737,668	779,448	-	23.05%
Freet.-Lakev.Reg. Sch.	8,411,914	6,128,528	4,513,310	963,296	889,412	-	19.34%
Town of Mansfield	51,273,339	37,355,381	27,510,073	4,514,243	4,429,042	-	21.72%
Mansfield Housing	794,899	579,127	426,493	71,631	70,279	-	23.23%
Brist. Cnty. Mosquito Cont.	1,505,674	1,096,968	807,849	170,163	166,951	-	23.40%
Town of Norton	31,659,808	23,065,861	16,986,680	2,615,062	2,595,139	-	21.48%
Norton Housing Auth.	437,153	318,493	234,547	39,790	39,039	-	21.54%
Town of Raynham	23,113,592	16,839,494	12,401,310	1,782,402	1,748,761	-	22.01%
Raynham Hous. Auth.	663,064	483,080	355,758	43,586	43,586	-	22.61%
Raynham Water Dist.	1,018,181	741,794	546,295	127,398	124,994	-	20.73%
Town of Rehoboth	10,055,539	7,326,000	5,395,175	696,096	682,958	-	22.10%
Town of Seekonk	30,984,818	22,574,101	16,624,521	2,386,879	2,341,829	-	21.38%
Seekonk Housin. Auth.	314,379	229,042	168,676	18,745	18,391	-	33.45%
Seekonk Water District	956,493	696,859	513,193	125,229	122,865	-	22.14%
Town of Somerset	37,468,238	27,297,622	20,103,118	2,276,419	2,233,454	-	19.99%
Somerset Housing Auth.	731,112	532,654	392,269	41,552	41,552	-	21.22%
Town of Swansea	22,151,652	16,138,670	11,885,192	1,738,024	1,705,221	-	22.86%
Swansea Housing Auth.	272,105	198,248	145,991	23,166	22,729	-	30.34%
Swansea Water District	982,043	715,470	526,903	183,049	179,594	-	24.57%
Town of Westport	28,177,680	20,528,951	15,118,385	2,308,911	2,265,333	-	21.97%
Westport Housing Auth.	133,438	97,220	71,593	8,636	8,636	-	23.88%
Somerset Berkley Schools	2,469,906	1,799,464	1,325,195	281,268	275,959	-	19.59%
Total for All Entities	$ 458,228,720	$ 333,844,224	$ 245,856,927	$ 36,641,656	$ 36,312,416	$ (360,562)	23.37%

See notes to the schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO THE PENSION PLAN SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SCHEDULE OF EMPLOYER ALLOCATIONS

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost- sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. Employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB Statement #68 requires the allocation of the collective pension amounts be consistent with the manner in which contributions to the plan are determined. To the extent that different contribution rates are assessed based on separate rates that constitute the collective pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those separate relationships. As permissible under GASB Statement #68, the fiscal year 2018 statutory contributions on the Schedule of Employer Allocations is used to demonstrate the allocation of Bristol County Retirement System's collective pension amounts. The fiscal year 2018 statutory contributions were based on the actuarial accrued liability and normal cost for each employer, versus the fiscal year 2017 statutory contributions which were based on employer payroll used during the January 1, 2014 valuation.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans shall, on or before October 15 of each year, furnish the actuary with such information as he may require to enable him to determine the amount to be paid for the pension fund thereof for the fiscal year commencing on the next following July 1. The actuary shall, on or before December 15, immediately preceding such fiscal year, determine such amount and specify in a written notice to said board the amount so required to be paid; however, that any community which has a valid and current actuarial report shall only appropriate the amount specified in their actuarial report and the actuary shall not require a larger amount to be appropriated. The System has a valid actuarial reported dated January 1, 2016 which was used as a basis for employer appropriations.

In 2010, the Bristol County Sheriffs functions were taken over by the Commonwealth of Massachusetts. Bristol County continues to pay for the retirement obligations related to previously retired Sheriff's employees. These liabilities are actuarially determined and are separately identified in the system's funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC completes an analysis of the costs and liabilities attributable to the additional benefits payable in accordance with the ERIP.

The accrued liability for the members who accept the ERIP is separately identified in the System's funding schedule and is amortized using straight-line and increasing amortization, as follows:

- Level amortization of the 2010 Early Retirement Incentive by June 30, 2022; $318,165 over 5 years
- Increasing amortization of the 2002 Early Retirement Incentive by June 30, 2023, $4,856,804 over 6 years with 4.5% increasing payments
- Level amortization of the 2003 Early Retirement Incentive by June 30, 2022, $1,934,755 over 5 years

2. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense for all participating employers including differences between expected and actual economic experience; differences between projected and actual investment earnings, net; and changes of assumptions. In 2015, the System conducted an Experience Study as of December 31, 2014 which significantly changed the projected Net Pension Liability for each member unit of the System. The results and allocations of this Experience Study were allocated to the member units and will be amortized in accordance with GASB 67.

The County had an excess contribution of $360,562 as it relates to the Sheriff's Department unfunded pension liability. The Retirement System, the Executive Office for Administration and Finance, the Public Employee Retirement Administration Commission ("PERAC") Actuary, the Bristol County Treasurer and Bristol County agreed to a payment schedule to satisfy all liabilities of the Commonwealth towards Bristol County Retirement Association and County of Bristol, Massachusetts for fiscal year 2017 and all past fiscal years. The excess is not separately identified in the actuarial valuation GASB 67 & 68 reports as of December 31, 2016.

BRISTOL COUNTY RETIREMENT SYSTEM

FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH INDEPENDENT AUDITORS' REPORT

BRISTOL COUNTY RETIREMENT SYSTEM
INDEX TO FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEX

LMM
Lynch, Malloy, Marini, LLP
Certified Public Accountants & Advisors
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INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Bristol County Retirement System (the "System"), as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of December 31, 2015 , and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 6, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 18, Schedule of Contributions on page 19, and the Schedule of Investment Returns on page 20 and Notes to Required Supplementary Information on Page 21, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Restrictions on Use

This report is intended solely for the information and use of the System, the Public Employee Retirement Administration Commission and all member units and is not intended to be and should not be used by anyone other than these specified parties.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
November 22, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

BRISTOL COUNTY RETIREMENT SYSTEM
Management's Discussion and Analysis
December 31, 2015

As management of the Bristol County Retirement System (the "System") we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the year ended December 31, 2015.

FINANCIAL HIGHLIGHTS

The fiduciary net position held in trust for pension benefits totaled approximately $571.6 million at December 31, 2015, and $582 million at December 31, 2014. The net position is available for payment of monthly retirement benefits and other distributions to the System's participants.

The total number of participants in the System as of December 31, 2015 was 6,258 active and retired.

The funded ratio of the System was 65.7% at January 1, 2016, the date of the latest actuarial valuation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The System covers substantially all non-teaching employees in the County, 14 municipalities and 24 special districts. Pursuant to Massachusetts General Law ("MGL") the System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Contribution rates for active members are set at 5%, 7%, 8% or 9% of gross regular compensation, as defined; depending on the date membership began. Certain employees contribute an additional 2% on compensation over $30,000 per annum.

The System's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. Also included is certain required supplementary information, and audits of Specific Elements, Accounts, and Items of Financial Statement Schedules.

The System is administered by the Bristol County Retirement Board and is governed by Chapter 32 of the Massachusetts General Laws.

The Statement of Fiduciary Net Position presents fairly the information on the System's assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the System's investments at fair market value, along with cash and short-term investments, receivables, and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the System's net position restricted for pension benefits changed during the year ended December 31, 2015. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The System is on a funding schedule to be 100% funded by the year 2029. The participating governmental entities contribute to this schedule annually based on the status of the bi-annual actuarial evaluation.

The Required Supplementary Information also includes the Schedule of Changes in the Net Pension Liability and Related ratios, Schedule of Contributions, Schedule of investment Return and Notes to Required Supplementary information.

The Audits of Specific Elements, Accounts and Items of Financial Statements include the following pension schedules of Employer Allocations, Pension Amounts by Employer and Notes to the related schedules.

FINANCIAL ANALYSIS

ASSET COMPARISON– 2015 compared to 2014

	($ in millions) December 31, 2015	($ in millions) December 31, 2014
Domestic Equity and Funds	$ 218.2	$ 235.0
Real Estate Funds	17.5	12.9
Venture Capital Funds	25.7	25.2
Hedge Funds	35.7	36.4
International Equity Funds	137.0	145.3
Fixed Income		
Corporate Bond Funds	94.1	86.3
U.S. Government Securities	10.9	14.9
International Bonds	19.1	16.8
Total Managed Investments	558.2	572.8
Receivables	3.7	2.3
Cash and Other Assets	12.8	8.9
Total Assets	**$ 574.7**	**$ 584.0**

The increase in the System's cash is attributable to the System liquidating some investments in domestic equity and international equity funds and holding on to cash for favorable buying opportunities. Additionally, the decrease in international equity funds was due to weak performance in the international markets. The System's overall returns as published in Public Employee Retirement Administration Commission's (PERAC) annual report for the past three years were 0.40% in 2015, 5.50% in 2014, and 18.43% in 2013. As published in PERAC's annual report, during the period from 1985 to 2015 the System has achieved a return of 8.83% in annual performance.

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the System by members and employees for the years ended December 31, 2015 and 2014 are summarized below:

	($ in millions) December 31, 2015	($ in millions) December 31, 2014
Member Contributions	$ 15.1	$ 15.0
Employer and Other Contributions	37.7	34.3
Total	$ 52.8	$ 49.3

The member contributions remained the same year over year, while employer contributions increased by 10%. The increase in employer and other contributions are due to transfers in from other systems and a 5.4% increase in pension appropriations. The employer contributions are based on actuarial calculations.

Deductions from System assets for the year ended December 31, 2015 and 2014 are summarized below:

	($ in millions) December 31, 2015	($ in millions) December31, 2014
Member Benefits	$ 53.0	$ 50.2
Refunds and Transfers	6.7	4.3
Administration	1.0	1.0
Total	$ 60.7	$ 55.5

The change in member benefits is attributable to increases in monthly benefits and newer retirees. The change in refunds and transfers is attributable to payments to other retirement systems.

ECONOMIC FACTORS

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the System at January 1 (latest actuarial valuation completed was as of January 1, 2016), determined by an actuarial valuation as follows:

2015	2014
65.7%	61.4%

PLAN AMENDMENTS

Any changes in benefits or other matters related to the System require an action by the State Legislature. Many also require local acceptance by the governing body of the member units.

OTHER

Other than changes in the fair value of System assets as may be impacted by the stock and bond markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bristol County Retirement System, 645 County Street, County Crossing, Taunton, MA 02780.

BASIC FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2015

		2015
ASSETS		
Cash and short-term investments	$	12,443,532
Receivables		
Employee		845,769
Employer		145,747
Interest and dividends		1,121,620
Other systems		1,579,191
Total receivables		3,692,327
Investments, at fair value		
Domestic equities and funds		218,224,528
Real estate funds		17,533,176
Venture capital funds		25,737,678
Hedge funds		35,707,733
International equity funds		136,935,977
Fixed income		
Corporate bond funds		94,145,501
U.S. government security		10,856,676
International bonds		19,101,356
Total investments		558,242,625
Other asset		310,900
Total assets	$	574,689,384
LIABILITIES		
Due to brokers and investment managers	$	652,932
Due to other systems		2,410,726
Accounts payable		27,608
Total liabilities		3,091,266
NET POSITION RESTRICTED FOR PENSIONS	$	571,598,118

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015
ADDITIONS	
Contributions	
Employer	$ 34,411,381
Plan Members	15,135,389
Other systems and state	3,105,037
Miscellaneous	225,521
Total contributions	52,877,328
Investment Income	
Net increase (decrease) in fair value of investments	
Domestic equities and funds	(1,656,501)
Real estate funds	1,424,728
Venture capital funds	2,501,158
Hedge funds	(673,626)
International equity funds	(8,289,859)
Corporate bond funds	(916,510)
U.S. government security	(72,291)
International bonds	(1,875,754)
Interest and dividends	10,880,027
	1,321,372
Less investment expense	(4,873,466)
Net investment income	(3,552,094)
Total additions	49,325,234
DEDUCTIONS	
Benefits	53,017,538
Refunds and transfers of contributions	6,755,827
Administrative and other expenses	917,839
Total deductions	60,691,204
NET CHANGE IN FIDUCIARY NET POSITION	(11,365,970)
Fiduciary Net Position, Beginning of Year	582,964,088
Fiduciary Net Position, End of Year	$ 571,598,118

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

The following brief description of the System is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws, the System's Retirement Guide, and other applicable statements, for more complete information.

General

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit pension plan covering eligible County and local municipal employees, except teachers and other employees covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the System is the Board, which acts as a fiduciary for investment of the funds and the application of System interpretations.

As of January 1, 2016 the date of the latest updated valuation, the System's membership consisted of:

	2015
Retirees and beneficiaries currently receiving benefits	2,119
Inactive participants	672
Disabled participants	274
Active participants	3,193
	6,258

Benefits

Members become vested after 10 years of creditable service. A superannuitation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuitation retirement allowance upon reaching the age of 60 with ten years of service if in group 1, 50 years of age with ten years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

Contributions

The contributions rates for active members are pursuant to statute. Active members contribute 5, 7, 8, or 9% of their gross regular compensation depending on the date upon which their membership began and certain employees contribute an additional 2% over $30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission ("PERAC") actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are the responsibility of the system.

Employer contributions are based on an actuarial calculation. The System and its members determine and pay pension costs on an accrual basis. Employer contributions are due semiannually on a fiscal year basis in July and January; however, in 2015, the System authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st. The Commonwealth of Massachusetts currently reimburses the System on a semi-annual basis for increases granted to retirement members between 1982 and 1997.

Participating Employers

As of December 31, 2015, there were 39 participating employers consisting of:

Towns	14
County	1
Special Districts	24
	39

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration Commission ("PERAC").

The Chairman of the System's Board of Directors also serves as Treasurer for Bristol County, which is a member of the System.

Tax Status

The System is qualified under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Bristol County Retirement System ("System") also referred to as the ("Plan").

Basis of Accounting

The accompanying financial statements of the Bristol County Retirement System have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

Bristol County Retirement System is a special-purpose government engaged only in fiduciary activities. The financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of trade dates. Member and employer contributions are established by statute. Member contributions are a percentage of salaries and are recognized in the period in which employees' salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The System is administered by the Bristol County Retirement Board (Board) and is governed by Chapter 32 of the Massachusetts General Laws and other applicable statutes. Administrative expenses are paid with funds provided by operations of the plan.

Cash and short-term investments

Cash and short-term investments are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Accounts Receivable

Accounts receivable consist of employee deductions, securities sold, amounts due from other systems and interest and dividends receivable. These receivables are considered to be 100% collectible and there is no allowance for uncollectible accounts.

Investments, at fair value

Investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds and mutual funds, is determined by the respective fund trustee based on quoted sales prices of the underlying securities. The fair value of real estate funds is provided by the fund's manager based on the value of the underlying real estate properties as determined from independent appraisals. Other investments that do not have an established market are reported at estimated fair value.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from real estate and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the System's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the System's real estate investment management fees.

The System may invest in various traditional financial instruments that fall under the broad definition of derivatives, which may include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the System's investment policy.

Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the amounts reported in the statement of System's net position.

Other Assets

Other assets consist of two condominiums which are owned by a Trust that is related to the System. The System's administrative offices are located in the condominiums, which were purchased via funding by the member units and general funds. Carrying amount approximates cost.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of fiduciary net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fiduciary net position that applies to a future period and so will not be recognized as an outflow of resources (deduction). There were no deferred outflows of resources at December 31, 2015.

In addition to liabilities, the statement of fiduciary net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (addition). There were no deferred inflows of resources at December 31, 2015.

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make significant estimates and assumptions that affect the reported amounts of net position held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in Plan net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the System and the actuarial information in Schedule in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

3. CASH AND SHORT TERM INVESTMENTS, AND INVESTMENTS

The System maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. At December 31, 2015, cash and short-term investment deposits totaled $13,105,470 and had a carrying amount of $12,443,532. Of the deposit amounts, $12,855,470 was exposed to custodial credit risk at December 31, 2015, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Equity securities, money market funds, repurchase agreements, international equity funds and equity mutual funds are not rated as to credit risk. Obligations of the U.S. Government and certain of its agencies are not considered to have credit risk and therefore no rating is disclosed. The investment policy of the System does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2015, the System had $94,145,501 of the corporate fixed income bonds. Income Research and Management managed $44,507,195, and PIMCO managed $49,638,306. The average rating for Income Research and Management was Aa3/A+, and the average rating of PIMCO was BAA. At December 31, 2015, $19,101,356 of the international fixed income bonds were managed by Colchester Global. The average rating for the Colchester Global managed investments was AA.

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the System does not formally address interest rate risk; however, the Board provides guidelines with each investment manager, as applicable. The average maturity as of December 31, 2015 of the corporate fixed income bonds managed by Income Research and Management is 6.07 years, and the average maturity for PIMCO was 8.87 years. The average maturity of the U.S. Government Securities managed by Income Research and Management is 5.44 years for 2015. The average maturity of the international fixed income securities managed by Colchester was 7.99 years.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The system does not formally address currency risk. The following table represents the System's foreign currency exposure for international bonds at December 31, 2015; the information for international equity funds was not available:

Country	2015 Total
Australia	$ 1,079,812
Austria	382,666
Belgium	439,799
Brazil	1,180,539
Canada	396,113
Czech Republic	101,909
Ireland	810,973
Japan	3,489,060
Malaysia	1,264,444
Mexico	1,846,501
Netherlands	190,566
New Zealand	2,046,484
Norway	1,201,103
South Africa	523,388
Supranational	547,523
United States	3,379,137
Other	221,339
	$ 19,101,356

Concentration of credit risk is assumed to arise when the amount of investments that the System has with anyone issuer exceeds 5 percent or more of the total value of the System's investments. The System does not have more than 5% of its investments in any one issuer, except for certain pooled funds.

Schedule of investment returns

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2015 was -0.55%, which has been calculated in accordance with the Provisions of GASB #67, *Financial Reporting for Pension Plans.*

4. ACTUARIAL VALUATION

Components of the net pension liability as of December 31, 2015

Total Pension Liability	$908,025,083
The Pension Plan's Fiduciary Net Position	$571,598,118
Net Pension Liability	$336,426,965

The Pension Plan's Fiduciary Net Position as a percentage of Total Pension Liability	62.9%

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2016
Actuarial cost method	Entry age
Amortization method	Level percent, open group

Remaining amortization period	15 years
Asset valuation method	Actuarially valued using a five-year smoothing of asset returns greater than or less than the assumed rate of return

Actuarial assumptions:

Investment rate of return — 7.75%

Projected salary increases

Service	Rate
0-1	5.50%
2	4.00%
3-4	3.50%
5-7	3.00%
8+	2.75%

Cost-of-living adjustments — 3.00% of $18,000/year

Discount rate — 7.75%

Inflation — 4.00%

Rates of retirement — Varies based upon age for general employees, police, and fire employees

Rates of disability — General employees –35% ordinary, 65% service connected
Police & Fire – 5% ordinary, 95% service connected

Mortality rates — Pre-Retirement – RP-2014 Blue Collar Mortality Table with Scale MP-2014, fully generational.

Healthy Retiree – Group 1 & 2 retirees are represented by the RP-2000 Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retirees are represented by the RP-2000 Mortality Table set forward three years for males and six years for females, fully generational.

Disabled Retiree – Group 1 & 2 disabled retirees are represented by the RP-2000 Mortality Table set forward six years. Group 4 disabled retirees are represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.

Family Composition — Assumption that 80% of members will be survived by a spouse, and that females are three years younger than males, males are three years older than females

Survivor Benefits — Occupational Death – Survivors of a member who dies due to an occupational injury will be entitled to a lump sum return of contributions plus a pension benefit equal to 72% of the participants annual salary

Non-Occupational Death – Upon the death of a member other than due to an occupational injury, the designated beneficiary will be entitled to a retirement benefit as if Option C had been elected with a minimum of $250 per month to the surviving spouse, plus $120 for the first child, plus $90 for each additional child. If no beneficiary is designated and if the employee worked two years, and is married at least one year, the spouse may elect benefits. If there is no designated beneficiary or surviving spouse, then member contributions are returned. If there are dependent children but no surviving spouse, they may elect minimum survivor benefits of $250 per month plus $120 for the first child and $90 each additional child.

Refund of contributions – Upon the death of a member not entitled to survivor benefits, the beneficiary is entitled to a refund of all member contributions with interest.

Cost-of-Living Adjustments

In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a cost-of-living adjustment (COLA) will be determined by a an annual vote of the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3.0%, beginning on July 1. All retirees, disabled retirees, and beneficiaries who have been receiving benefits payments for at least one year as of July 1 are eligible for the adjustment. The maximum amount of pension benefit subject to a COLA is $13,000. All COLA's granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the State and not the liability of the Retirement System. The Bristol County Retirement System has adopted a COLA base of $16,000 for Fiscal Year 2014 and $18,000 for Fiscal Year 2015.

For financial reporting purposes, the projection of benefits for the System does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the Plan reaches a full funding status by 2040.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%)

	1% decrease (6.75%)	**Current Discount Rate** (7.75%)	**1% increase** (8.75%)
Bristol County Retirement System's net pension liability as of December 31, 2015	$439,894,806	$336,426,965	$249,343,367

The Plan Fiduciary Net Position as a percentage of the Total Pension liability is 62.9%

Investment policy

The Plan does not have a formal investment policy. The Board is in the process of formalizing an investment policy. The Board approved target weights and expected rates of return on November 4, 2014.

As of November 4, 2014, the Plan's portfolio target weights and assumed long-term rates of return at the asset class level are as follows:

Asset Class	Portfolio Target Weight	Long term Expected Rate of Return
Equity	46.5%	7.8%
Fixed income	24.5%	5.0%
Private equity	8.5%	11.3%
Real estate funds	7.5%	6.3%
Hedge funds	5.0%	7.1%
Infrastructure	5.0%	8.0%
Timber	3.0%	7.5%

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the System's legally required reserves at December 31, 2015:

	2015	Purpose
Annuity Savings Fund	$ 145,457,716	Active members' contribution balance
Annuity Reserve Fund	49,072,819	Retired members' contribution account
Pension Reserve Fund	377,005,136	Amounts appropriated to fund future retirement benefits
Military Credit	62,447	Members' contribution while on military leave
	$571,598,118	

All reserve accounts are funded at levels required by state statute.

6. COMMITMENTS AND CONTINGENCIES

The System is involved in certain lawsuits at December 31, 2015. In the opinion of System management, the ultimate resolution of these legal actions will not result in a material loss to the System.

7. RECENT ACCOUNTING PRONOUNCEMENTS

Future Pronouncements

The GASB issued Statement #72, *Fair Value Measurement and Application,* which is required to be implemented in fiscal year 2016. The pronouncement addresses accounting and financial reporting issues related to fair value measurements. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("OPEB"),* which is required to be implemented in fiscal year 2018. The pronouncement addresses reporting by OPEB plans that administer benefits on behalf of governments. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* which is required to be implemented in fiscal year 2018. The pronouncement replaces previously issued guidance and establishes new accounting and financial reporting requirements for governments whose employees are provided other post-employment benefits. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in fiscal year 2017. The pronouncement replaces previously issued guidance and improves financial reporting by redefining the hierarchy of generally accepted accounting principles (GAAP). The System expects to implement the pronouncement as applicable.

The GASB issued Statement #79, *Certain External Investment Pools and Pool Participants*, which is required to be implemented in 2016. The pronouncement addresses accounting and financial reporting for certain external investment pools and pool participants. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #82, *Pension Issues- an amendment of statements #67, #68, and #73)*, which is required to be implemented in 2017. The pronouncement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations for the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The System expects to implement the pronouncement as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

	2015	2014
Total pension liability:		
Service cost	$ 15,124,490	$ 16,427,712
Interest	68,495,323	68,538,354
Benefit payments, including refunds of employee contributions	(44,280,880)	(56,581,624)
Net change in total pension liability	39,338,933	28,384,442
Total pension liability, beginning	868,686,150	840,301,708
Total pension liability, ending (a)	$ 908,025,083	$ 868,686,150
Plan fiduciary net position increase (decrease):		
Member contributions	$ 18,270,738	$ 14,991,145
Employer contributions	34,411,381	32,216,280
Net investment income (loss)	(5,679,765)	27,547,920
Retirement benefits and refunds	(59,773,359)	(52,732,330)
Administrative expenses	1,405,035	(1,507,773)
Net increase in fiduciary net position	(11,365,970)	20,515,242
Fiduciary net position at beginning of year	582,964,088	562,448,846
Fiduciary net position at end of year (b)	$ 571,598,118	$ 582,964,088
Net pension liability - ending (a) - (b)	$ 336,426,965	$ 285,722,062
Plan fiduciary net position as a percentage of the total pension liability	62.95%	67.11%
Covered-employee payroll	$ 152,406,793	$ 141,877,055
Net pension liability as a percentage of covered-employee payroll	220.74%	201.39%

See Independent Auditors' Report and notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

	2015	2014
Actuarially determined contribution (a)	$ 34,405,310	$ 32,305,486
Discounts on contributions from early payments and adjustments for interest and other payments	(643,501)	(89,206)
Contributions in relation to the actuarially determined contribution	34,411,381	32,216,280
Contribution deficiency (excess)	$ (649,572)	$
Covered-employee payroll	$ 152,406,793	$ 141,877,055
Contributions as a percentage of covered-employee payroll	22.58%	22.71%

(a) Based on the results of the January 1, 2014 actuarial valuation (including assumptions and methods) which determined budgeted appropriations for fiscal 2016.

See Independent Auditors' Report and notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURN
INFORMATION PRESENTED FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

	2015	2014
Annual money-weighted rate of return, net of investment expense calculated in accordance with the provisions of GASB# 67, *Financial Reporting for Pension Plans*	-0.55%	5.29%

See Independent Auditors' Report and notes to required supplementary information.

NOTE 1 CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the system's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

The System performs an actuarial valuation bi-annually. The latest valuation date was January 1, 2016. Changes in benefit terms, differences between expected and actual experience and changes in assumptions have been included in these financial statements.

NOTE 2 – CONTRIBUTIONS

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

NOTE 3 – MONEY WEIGHTED RATE OF RETURN

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

INDEPENDENT AUDITORS' REPORT
ON AUDITS OF SPECIFIC ELEMENTS, ACCOUNTS,
AND ITEMS OF FINANCIAL STATEMENTS

Lynch, Malloy, Marini, LLP
Certified Public Accountants & Advisors
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INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying schedule of employer allocations of the Bristol County Retirement System (the System), as of and for the year ended December 31, 2015 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the accompanying schedule of pension amounts by employer of the Bristol County Retirement System as of and for the year ended December 31, 2015, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of the employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Bristol County Retirement System as of and for the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Bristol County Retirement System as of and for the year ended December 31, 2015, and our report thereon dated November 22, 2016, expressed an unmodified opinion on those financial statements.

As more fully described in Note 3, we are reissuing our report on the accompanying Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

Restriction on Use

This report is intended solely for the information and the use of the Bristol County Retirement System management, the Bristol County Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
December 23, 2016

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	FY2016 Pension Fund Appropriation	Direct Appropriation E.R.I., Sheriff	FY2016 Total Appropriation	Employer Allocation Percent of Total Net Pension Liability
Bristol County	$ 1,114,424	$ 88,871	$ 1,203,295	9.657%
Town of Acushnet	1,029,589	14,877	1,044,466	3.086%
Acushnet Hous. Auth.	11,525		11,525	0.061%
Town of Berkley	648,808	8,437	657,245	1.392%
Town of Dartmouth	3,957,820	301,831	4,259,651	12.337%
Dartmouth Hous. Auth.	62,595		62,595	0.168%
Dartmouth Fire Dis. #3	88,953		88,953	0.171%
Dartmouth Fire Dis. #2	17,431		17,431	0.029%
Dartmouth Fire Dis. #1	21,157		21,157	0.095%
Town of Dighton	622,161	45,003	667,164	1.765%
Dighton Hous. Auth.	19,550		19,550	0.014%
Dight.-Reh. Reg. School	794,932		794,932	2.116%
Dighton Water Dist.	125,692		125,692	0.217%
North Dighton Fire Dis.				0.000%
Town of Easton	3,561,941		3,561,941	10.768%
Easton Hous. Auth.	38,208		38,208	0.227%
Town of Freetown	689,271	55,872	745,143	2.558%
Freet.-Lakev.Reg. Sch.	830,408		830,408	1.836%
Town of Mansfield	4,047,511	67,500	4,115,011	11.189%
Mansfield Housing	63,352		63,352	0.173%
Brist.Cnty. Mosquito Cont.	136,355	16,009	152,364	0.329%
Town of Norton	2,243,522		2,243,522	6.909%
Norton Housing Auth.	32,577		32,577	0.095%
Town of Raynham	1,632,745	80,156	1,712,901	5.044%
Raynham Hous. Auth.	35,458		35,458	0.145%
Raynham Water Dist.	95,866		95,866	0.222%
Town of Rehoboth	721,033		721,033	2.194%
Town of Seekonk	2,159,057	89,174	2,248,231	6.762%
Seekonk Housin. Auth.	15,537	5,768	21,305	0.069%
Seekonk Water District	120,076		120,076	0.209%
Town of Somerset	2,296,315		2,296,315	8.177%
Somerset Housing Auth.	40,095		40,095	0.160%
Town of Swansea	1,699,173	47,764	1,746,937	4.834%
Swansea Housing Auth.	15,995	6,125	22,120	0.059%
Swansea Water District	157,523	13,625	171,148	0.214%
Town of Westport	2,065,849	101,311	2,167,160	6.149%
Westport Housing Auth.	8,680		8,680	0.029%
Somerset Berkley Schools	318,426		318,426	0.539%
Sheriffs retirees	1,923,377		1,923,377	0.000%
Total	$ 33,462,987	$ 942,323	$ 34,405,310	100.000%

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	(restated, See Note 3) 12/31/2014 Net Pension Liability	(restated, See Note 3) 12/31/2014 Total Deferred Outflows of Resources	12/31/2015 Net Pension Liability	Deferred Outflows of Resources: Total Differences Between Expected and Actual Experience	Total Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12/31/2015 Total Deferred Outflows of Resources
Bristol County	25,630,831	1,233,161	$ 32,487,509	$ 1,793,367	$ 4,336,393	$	1,341,263	$ 7,471,023
Town of Acushnet	8,801,500	423,461	10,381,362	573,069	1,567,682		-	2,140,751
Acushnet Hous. Auth	98,522	4,740	206,064	11,375	28,369		51,973	91,717
Town of Berkley	5,546,364	260,849	4,684,248	258,579	764,197		-	1,022,776
Town of Dartmouth	33,833,616	1,627,813	41,503,714	2,291,077	6,213,589		1,057,055	9,561,721
Dartmouth Hous Auth	535,095	25,745	566,442	31,269	87,518		-	118,787
Dartmouth Fire Dis.#3	760,419	36,586	575,161	31,750	96,699		-	128,449
Dartmouth Fire Dis.#2	149,006	7,169	97,570	5,386	17,126		-	22,512
Dartmouth Fire Dis.#1	180,865	8,702	319,853	17,656	45,043		61,401	124,100
Town of Dighton	5,318,579	255,890	5,939,429	327,867	907,122		-	1,234,989
Dighton Hous. Auth.	167,127	8,041	48,050	2,652	11,817		-	14,469
Dight.-Reh. Reg. School	6,795,518	326,949	7,120,262	393,051	1,102,608		-	1,495,659
Dighton Water Dist.	1,074,481	51,696	730,572	40,329	126,745			167,074
North Dighton Fire Dis	0	0			-		-	-
Town of Easton	30,449,433	1,464,996	36,225,149	1,999,692	5,460,848		80,282	7,540,822
Easton Hous. Auth	326,625	15,715	762,055	42,067	103,550		218,223	363,840
Town of Freetown	5,892,270	283,491	8,607,260	475,136	1,249,073		988,480	2,712,689
Freet.-Lakev. Reg. Sch	7,098,784	341,540	6,175,940	340,923	999,839			1,340,762
Town of Mansfield	34,600,356	1,664,707	37,644,374	2,078,035	5,781,528			7,859,563
Mansfield Housing	541,564	26,056	583,608	32,216	89,818			122,034
Brist Cnty Mosquito Cont	1,165,635	56,082	1,105,454	61,023	175,177			236,200
Town of Norton	19,178,865	922,741	23,244,309	1,383,126	3,391,051		299,403	5,073,580
Norton Housing Auth	278,483	13,398	320,958	17,717	48,697			66,414
Town of Raynham	13,957,600	671,534	16,969,770	936,761	2,547,089		311,153	3,795,003
Raynham Hous Auth	303,117	14,584	486,817	26,873	69,559		74,778	171,210
Raynham Water Dist	819,518	39,429	747,533	41,265	119,587		-	160,852
Town of Rehoboth	6,163,720	296,555	7,382,676	407,537	1,111,411		45,190	1,564,138
Town of Seekonk	18,456,905	888,001	22,748,741	1,255,770	3,405,322		578,137	5,239,229
Seekonk Housin. Auth	132,870	6,390	230,814	13,741	32,586		47,508	93,835
Seekonk Water District	1,026,474	49,386	702,251	38,765	121,602		-	160,367
Town of Somerset	19,630,163	944,455	27,508,909	1,518,534	4,020,852		2,470,044	8,009,430
Somerset Housing Auth	342,753	16,491	536,775	29,631	77,005		76,585	183,221
Town of Swansea	14,525,466	698,855	16,263,524	897,775	2,432,535		-	3,330,310
Swansea Housing Auth	136,757	6,579	195,782	11,028	28,991		26,704	66,723
Swansea Water District	1,346,590	64,788	721,004	39,801	135,412		-	175,213
Town of Westport	17,660,013	849,666	20,687,771	1,142,001	3,128,396		-	4,270,397
Westport Housing Auth	74,198	3,570	97,972	5,408	14,475		5,841	25,724
Somerset Berkley Schools	2,722,030	130,966	1,813,384	100,102	316,506		-	416,608
Sheriffs retirees							-	
Total for All Entities	$ 285,722,062	$ 13,746,777	$ 336,426,965	$ 18,571,354	$ 50,821,402	$	$ 8,229,020	$ 77,621,776

See notes to schedule of employer allocations and schedule of pension amounts by employer
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BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Deferred Inflows of Resources: Differences Between Expected and Actual Experience	Deferred Inflows of Resources: Changes of Assumptions	Deferred Inflows of Resources: Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Deferred Inflows of Resources: 12/31/2015 Total Deferred Inflows of Resources	Pension Expense: Proportionate Share of Plan Pension Expense	Pension Expense: Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Pension Expense: Total Employer Pension Expense	Revenue
Bristol County	$	$ 1,053,262	-	$ 1,053,262	$ 3,948,279	$ 489,700	$ 4,437,979	49,170
Town of Acushnet		336,569	17,427	353,996	1,261,670	(4,635)	1,257,035	15,715
Acushnet Hous. Auth		6,681	-	6,681	25,043	13,823	38,866	312
Town of Berkley		151,866	1,092,876	1,244,742	569,267	(290,638)	278,629	7,091
Town of Dartmouth		1,345,572	-	1,345,572	5,044,039	279,802	5,323,841	62,026
Dartmouth Hous. Auth.		13,364	39,418	52,782	66,841	(10,484)	56,357	857
Dartmouth Fire Dis. #3		18,647	189,762	208,409	69,901	(50,468)	19,433	871
Dartmouth Fire Dis. #2		3,163	45,992	49,155	11,858	(12,232)	(374)	148
Dartmouth Fire Dis. #1		10,370	-	10,370	38,872	16,330	55,202	484
Town of Dighton		192,559	176,910	369,469	721,832	(47,050)	674,782	8,991
Dighton Hous. Auth.		1,558	87,312	88,870	5,840	(23,221)	(17,381)	73
Dight.-Reh. Reg. School		230,843	543,271	774,114	865,341	(144,487)	720,854	10,778
Dighton Water Dist.		23,686	315,938	339,624	88,788	(84,026)	4,762	1,106
North Dighton Fire Dis			-					
Town of Easton		1,174,438		1,174,438	4,402,523	21,351	4,423,874	54,836
Easton Hous. Auth		24,706		24,706	92,614	58,038	150,652	1,154
Town of Freetown		279,052		279,052	1,046,059	262,893	1,308,952	13,029
Freet.-Lakev. Reg. Sch.		200,227	1,302,044	1,502,271	750,576	(346,288)	404,288	9,349
Town of Mansfield		1,220,450	1,904,541	3,124,991	4,575,004	(506,527)	4,068,477	56,984
Mansfield Housing		18,921	33,888	52,809	70,927	(9,013)	61,914	883
Brist Cnty Mosquito Cont		35,839	148,225	184,064	134,348	(39,422)	94,926	1,673
Town of Norton		753,593	-	753,593	2,824,932	79,628	2,904,560	35,186
Norton Housing Auth		10,406	5,288	15,694	39,007	(1,406)	37,601	486
Town of Raynham		550,169	-	550,169	2,062,374	82,753	2,145,127	25,628
Raynham Hous. Auth		15,783	-	15,783	59,164	19,888	79,052	737
Raynham Water Dist		24,235	128,775	153,010	90,849	(34,249)	56,600	1,132
Town of Rehoboth		239,350	-	239,350	897,233	12,019	909,252	11,175
Town of Seekonk		737,526	-	737,526	2,764,705	153,760	2,918,465	34,436
Seekonk Housin. Auth		7,483	-	7,483	28,051	12,635	40,686	349
Seekonk Water District		22,767	297,517	320,284	85,346	(79,127)	6,219	1,063
Town of Somerset		891,850	-	891,850	3,343,207	656,926	4,000,133	41,641
Somerset Housing Auth		17,403	-	17,403	65,235	20,368	85,603	813
Town of Swansea		527,272	516,672	1,043,944	1,976,542	(137,413)	1,839,129	24,619
Swansea Housing Auth		6,477	-	6,477	24,280	7,102	31,382	302
Swansea Water District		23,375	498,635	522,010	87,625	(132,616)	(44,991)	1,091
Town of Westport		670,708	62,344	733,052	2,514,231	(16,581)	2,497,650	31,316
Westport Housing Auth		3,176	-	3,176	11,907	1,553	13,460	148
Somerset Berkley Schools		58,791	822,185	880,976	220,385	(218,666)	1,719	2,745
Sheriffs retirees			-					
Total for All Entities	$	$ 10,907,137	$ 8,229,020	$ 19,136,157	$ 40,886,715	$	$ 40,886,715	$ 509,205

See notes to schedule of employer allocations and schedule of pension amounts by employer

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Deferred Inflows/(Outflows) Recognized in Future Pension Expense

Employer	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	Covered Employer Payroll
Bristol County	1,972,830	1,972,830	1,972,830	1,499,776	$ 4,893,495
Town of Acushnet	476,650	476,650	476,650	356,804	5,125,090
Acushnet Hous. Auth.	22,459	22,459	22,459	17,659	64,033
Town of Berkley	(54,550)	(54,550)	(54,550)	(58,317)	3,086,632
Town of Dartmouth	2,187,652	2,187,652	2,187,652	1,653,196	19,676,258
Dartmouth Hous. Auth.	16,436	16,436	16,436	11,696	283,177
Dartmouth Fire Dis. #3	(20,522)	(20,522)	(20,522)	(18,395)	421,719
Dartmouth Fire Dis. #2	(6,912)	(6,912)	(6,912)	(5,908)	129,228
Dartmouth Fire Dis. #1	30,073	30,073	30,073	23,512	59,530
Town of Dighton	231,710	231,710	231,710	170,391	3,392,553
Dighton Hous. Auth.	(19,474)	(19,474)	(19,474)	(15,980)	39,853
Dight.-Reh. Reg. School	194,740	194,740	194,740	137,324	3,964,201
Dighton Water Dist.	(44,682)	(44,682)	(44,682)	(38,504)	500,550
North Dighton Fire Dis.	-	-	-	-	
Town of Easton	1,697,607	1,697,607	1,697,607	1,273,563	16,827,462
Easton Hous. Auth.	89,525	89,525	89,525	70,560	274,781
Town of Freetown	645,030	645,030	645,030	498,548	3,276,740
Freet.-Lakev. Reg. Sch.	(37,563)	(37,563)	(37,563)	(48,820)	4,469,382
Town of Mansfield	1,270,981	1,270,981	1,270,981	921,630	20,056,126
Mansfield Housing	18,606	18,606	18,606	13,407	321,178
Brist. Cnty. Mosquito Cont.	14,576	14,576	14,576	8,409	672,967
Town of Norton	1,150,895	1,150,895	1,150,895	867,301	11,589,091
Norton Housing Auth.	13,551	13,551	13,551	10,068	174,293
Town of Raynham	864,313	864,313	864,313	651,896	7,688,100
Raynham Hous. Auth.	41,138	41,138	41,138	32,013	190,770
Raynham Water Dist	2,641	2,641	2,641	(82)	536,525
Town of Rehoboth	353,137	353,137	353,137	265,378	3,012,202
Town of Seekonk	1,198,420	1,198,420	1,198,420	906,442	10,264,919
Seekonk Housin. Auth.	22,580	22,580	22,580	17,613	57,480
Seekonk Water District	(41,385)	(41,385)	(41,385)	(35,763)	581,854
Town of Somerset	1,887,840	1,887,840	1,887,840	1,454,061	10,642,061
Somerset Housing Auth.	43,903	43,903	43,903	34,110	189,571
Town of Swansea	625,438	625,438	625,438	460,053	7,796,889
Swansea Housing Auth.	15,971	15,971	15,971	12,334	75,816
Swansea Water District	(90,346)	(90,346)	(90,346)	(75,760)	751,963
Town of Westport	943,967	943,967	943,967	705,445	9,841,278
Westport Housing Auth.	5,988	5,988	5,988	4,585	39,039
Somerset Berkley Schools	(120,348)	(120,348)	(120,348)	(103,246)	1,439,987
Sheriffs retirees					
Total for All Entities	$ 15,602,873	$ 15,602,873	$ 15,602,873	$ 11,676,999	$ 152,406,793

See notes to schedule of employer allocations and schedule of pension amounts by employer.

(Continued)

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Discount Rate Sensitivity			Schedule of Contributions			
Employer	1% decrease (6.75%)	Current discount rate (7.75%)	1% increase (8.75%)	Statutory Required Contribution	Contribution in Relation to the Statutory Required Contribution	Contribution Deficiency/ (Excess)	Contributions as a Percentage of Covered Employee Payroll
Bristol County	$ 42,479,015	32,487,508	$ 24,078,167	$ 1,203,295	$ 1,180,582	$	24.13%
Town of Acushnet	13,574,142	10,381,362	7,694,163	1,044,466	1,024,752		19.99%
Acushnet Hous. Auth.	269,439	206,064	152,725	11,525	11,308		17.66%
Town of Berkley	6,124,884	4,684,248	3,471,738	657,245	644,839		20.89%
Town of Dartmouth	54,268,147	41,503,714	30,760,542	4,259,651	4,179,249		21.24%
Dartmouth Hous. Auth.	740,651	566,442	419,820	62,595	61,414		21.69%
Dartmouth Fire Dis. #3	752,051	575,161	426,281	88,953	87,274		20.69%
Dartmouth Fire Dis. #2	127,578	97,570	72,314	17,431	17,102		13.23%
Dartmouth Fire Dis. #1	418,223	319,853	237,059	21,157	20,758		34.87%
Town of Dighton	7,766,096	5,939,429	4,402,017	667,164	654,571		19.29%
Dighton Hous. Auth.	62,827	48,050	35,612	19,550	19,181		48.13%
Dight.-Reh. Reg. School	9,310,092	7,120,262	5,277,193	794,932	779,928		19.67%
Dighton Water Dist.	955,259	730,572	541,465	125,692	123,319		24.64%
North Dighton Fire Dis.					-		0.00%
Town of Easton	47,366,165	36,225,149	26,848,326	3,561,941	3,494,709		20.77%
Easton Hous. Auth.	996,425	762,055	564,798	38,208	37,487		13.64%
Town of Freetown	11,254,415	8,607,260	6,379,284	745,143	731,079		22.31%
Freet.-Lakev.Reg. Sch.	8,075,345	6,175,940	4,577,307	830,408	814,734		18.23%
Town of Mansfield	49,221,870	37,644,374	27,900,186	4,115,011	4,037,340		20.13%
Mansfield Housing	763,097	583,608	432,542	63,352	62,156		19.35%
Brist. Cnty. Mosquito Cont.	1,445,435	1,105,454	819,309	152,364	149,488		22.21%
Town of Norton	30,393,077	23,244,309	17,227,555	2,243,522	2,201,176		18.99%
Norton Housing Auth.	419,669	320,958	237,879	32,577	31,962		18.34%
Town of Raynham	22,188,809	16,969,770	12,577,171	1,712,901	1,680,569		21.86%
Raynham Hous. Auth.	636,538	486,817	360,805	35,458	35,457		18.59%
Raynham Water Dist.	977,436	747,533	554,035	95,866	95,865		17.87%
Town of Rehoboth	9,653,212	7,382,676	5,471,682	721,033	707,424		23.49%
Town of Seekonk	29,745,098	22,748,741	16,860,265	2,248,231	2,205,795		21.49%
Seekonk Housin. Auth.	301,800	230,814	171,068	21,305	21,305		37.07%
Seekonk Water District	918,228	702,251	520,474	120,076	120,076		20.64%
Town of Somerset	35,969,121	27,508,809	20,388,197	2,296,315	2,252,971		21.17%
Somerset Housing Auth.	701,860	536,775	397,832	40,095	40,095		21.15%
Town of Swansea	21,265,358	16,263,524	12,053,736	1,746,937	1,713,963		21.96%
Swansea Housing Auth.	261,225	199,782	148,069	22,120	21,703		28.63%
Swansea Water District	942,748	721,004	534,373	171,148	167,918		22.33%
Town of Westport	27,050,278	20,687,771	15,332,774	2,167,160	2,126,255		21.61%
Westport Housing Auth.	128,103	97,972	72,612	8,680	8,516		21.81%
Somerset Berkley Schools	2,371,090	1,813,384	1,343,992	318,426	312,416		21.70%
Sheriffs retirees				1,923,377	2,536,645	649,572	0.00%
Total for All Entities	$ 439,894,806	$ 336,426,965	$ 249,343,367	$ 34,405,310	$ 34,411,381	$ 649,572	22.58%

See notes to schedule of employer allocations and schedule of pension amounts by employer.

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(Concluded)

1. SCHEDULE OF EMPLOYER ALLOCATIONS

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost- sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. Employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB Statement #68 requires the allocation of the collective pension amounts be consistent with the manner in which contributions to the plan are determined. As permissible under GASB Statement #68, The Schedule of Employer Allocations is used to demonstrate the allocation of Bristol County Retirement System's collective pension amounts.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans allocate the annual required pension fund appropriation to employer units based on their proportionate share of the aggregate of the annual rates of regular compensation of all members in service of the system who are employees of any government unit at the close of business on the September 30th immediately preceding the fiscal year. Accordingly, the proportionate aggregate rates of regular compensation as of the close of business on September 30, 2013 were applied to allocate the System's fiscal year 2016 pension fund appropriation by member unit.

In 2010, the Bristol County Sheriffs functions were taken over by the Commonwealth of Massachusetts. Bristol County continues to pay for the retirement obligations related to previously retired Sheriff's employees. These liabilities are actuarially determined and are separately identified in the system's funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC completed an analysis of the costs and liabilities attributable to the additional benefits payable in accordance with the ERIP.

The accrued liability for the members who accept the ERIP as retirees including the ERIP less the accrued liability for the members as active employees excluding the ERIP represents the increase in accrued liability due to the ERIP. The net increase is amortized for each member unit accepting the ERIP, and is separately identified in the system's funding schedule. The 2003 ERIP amortization is occurring over 9 years, increasing 4.5% per year. The 2010 ERIP amortization is occurring over an 8 year, straight-line basis.

The allocation percentage of the total net pension liability is a blended rate of the following three items. (1) The proportionate share of active employer's covered payroll is applied to the fiscal year 2015 pension fund appropriation calculated by the actuary. (2) ERI is a direct charge calculated by PERAC for only the employers that accepted the ERI. (3) The direct amortization of the actuarial determined net pension liability for Bristol County Sheriff and North Dighton Fire District since they no longer have active covered payroll.

2. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense for all participating employers including differences between expected and actual economic experience; differences between projected and actual investment earnings, net; and changes of assumptions. In 2015, the System conducted an Experience Study as of December 31, 2014 which significantly changed the projected Net Pension Liability for each member unit of the System. The results and allocations of this Experience Study have been allocated to the member units and will be amortized in accordance with GASB 67.

The Sheriff's Department had an excess contribution of $649,572 for the year ended December 31, 2015. The Retirement System, the Executive Office for Administration and Finance, the Public Employee Retirement Administration Commission ("PERAC") Actuary, the Bristol County Treasurer and Bristol County agreed to a payment schedule to satisfy all liabilities of the Commonwealth towards Bristol County Retirement Association and County of Bristol, Massachusetts for fiscal year 2015, fiscal year 2016 and all past fiscal years. The excess is not separately identified in the actuarial valuation GASB 67 & 68 reports as of December 31, 2015.

3. PRIOR PERIOD RESTATEMENT

Management determined to reallocate the employer allocations reported for December 31, 2014 in which allocations associated with the Sheriff's Department retirees that were allocated across member units, were re-allocated to the County of Bristol. The restated net pension liability and deferred outflows as of December 31, 2014 are presented in the Schedule of Pension Amounts by Employer.

BRISTOL COUNTY RETIREMENT SYSTEM

FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH INDEPENDENT AUDITORS' REPORT THEREON

BRISTOL COUNTY RETIREMENT SYSTEM
INDEX TO FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

INDEX

LMM

Lynch, Malloy, Marini, LLP

Certified Public Accountants & Advisors

INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Bristol County Retirement System (the "System"), as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of December 31, 2014 , and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 6, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 18, Schedule of Contributions on page 19, and the Schedule of Investment Returns on page 20, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2015, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Restrictions on Use

This report is intended solely for the information and use of the System, the Public Employee Retirement Commission and all member units and is not intended to be and should not be used by anyone other than these specified parties.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
October 6, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Bristol County Retirement System (the "System") we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the year ended December 31, 2014.

FINANCIAL HIGHLIGHTS

The fiduciary net position held in trust for pension benefits totaled approximately $582 million at December 31, 2014. The net position is available for payment of monthly retirement benefits and other distributions to the System's participants.

The total number of participants in the System as of December 31, 2014 was 6,153 active and retired.

The funded ratio of the System was 61.4% at January 1, 2014, the date of the latest actuarial valuation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit plan. The System covers substantially all non-teaching employees in the County, 14 municipalities and 24 special districts. Pursuant to Massachusetts General Law ("MGL") the System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

Contribution rates for active members are set at 5%, 7%, 8% or 9% of gross regular compensation, as defined; depending on the date membership began. Certain employees contribute an additional 2% on compensation over $30,000 per annum.

The System's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to the Financial Statements. Also included is certain required supplementary information, and audits of Specific Elements, Accounts, and Items of Financial Statement Schedules.

The System is administered by the Bristol County Retirement Board and is governed by Chapter 32 of the Massachusetts General Laws.

The Statement of Fiduciary Net Position presents fairly the information on the System's assets and liabilities and the resulting net position held in trust for pension benefits. This statement reflects the System's investments at fair market value, along with cash and short-term investments, receivables, and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the System's net position held in trust for pension benefits changed during the year ended December 31, 2014. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

See Independent Auditors' Report.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The Required Supplementary Information and the related note present a schedule of funding progress along with a discussion of actuarial assumptions and methods.

The System is on a funding schedule to be 100% funded by the year 2030. The participating governmental entities contribute to this schedule annually based on the status of the bi-annual actuarial evaluation.

The Required Supplementary Information also includes the Schedule of Changes in Net Pension Liability and Related ratios, Schedule of Contributions, Schedule of investment Return and Notes to Required Supplementary information.

The Audits of Specific Elements, Accounts and Items of Financial Statements include the following pension schedules of Employer Allocations, Pension Amounts by Employer and Notes to the related schedules.

FINANCIAL ANALYSIS

ASSETS– 2014

	($ in millions) December 31, 2014
Domestic Equity and Funds	$ 235.0
Real Estate Funds	12.9
Venture Capital Funds	25.2
Hedge Funds	36.4
International Equity Funds	145.3
Fixed Income	
Corporate Bond Funds	86.3
U.S. Government Securities	14.9
International Bonds	16.8
Total Managed Investments	572.8
Receivables	2.3
Cash and Other Assets	8.9
Total Assets	**$ 584.0**

The System's overall returns as published in PERAC's annual report for the past three years were 5.50% in 2014, 18.43% in 2013, and 15.79% in 2012. As published in PERAC's annual report, during the period from 1985 to 2014 the System has achieved a return of 9.25% in annual performance.

CONTRIBUTIONS AND DEDUCTIONS

Contributions to the System by members and employees for the years ended December 31, 2014 are summarized below:

	($ in millions) December 31, 2014
Member Contributions	$ 15.0
Employer and Other Contributions	34.3
Total	**$ 49.3**

The employer contributions are based on actuarial calculations.

Deductions from System assets for the year ended December 31, 2014 are summarized below:

	($ in millions) December 31, 2014
Member Benefits	$ 50.2
Refunds and Transfers	4.3
Administration	1.0
Total	**$ 55.5**

ECONOMIC FACTORS

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the System at January 1 (latest actuarial valuation completed was as of January 1, 2014), determined by an actuarial valuation as follows:

2014
61.4%

PLAN AMENDMENTS

Any changes in benefits or other matters related to the System require an action by the State Legislature. Many also require local acceptance by the governing body of the member units.

OTHER

Other than changes in the fair value of System assets as may be impacted by the stock and bond markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bristol County Retirement System, 645 County Street, County Crossing, Taunton, MA 02780.

FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2014

		2014
ASSETS		
Cash and short-term investments	$	8,555,277
Receivables		
Employee		1,115,337
Employer		419,795
Securities sold		194,877
Interest and dividends		427,889
Other systems		117,774
Total receivables		2,275,672
Investments, at fair value		
Domestic equities and funds		235,047,604
Real estate funds		12,857,949
Venture capital funds		25,242,351
Hedge funds		36,384,458
International equity funds		145,332,150
Fixed income		
Corporate bond funds		86,299,591
U.S. government security		14,865,077
International bonds		16,832,831
Total investments		572,862,011
Other Asset		310,900
Total assets	$	584,003,860
LIABILITIES		
Due to brokers and investment managers	$	923,681
Accounts payable		116,091
Total liabilities		1,039,772
NET POSITION RESTRICTED FOR PENSIONS	$	582,964,088

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014
ADDITIONS	
Contributions	
Employer	$ 32,636,074
Plan Members	14,993,947
Other systems and state	1,681,707
Miscellaneous	28,853
Total contributions	49,340,581
Investment Income	
Net increase (decrease) in fair value of investments	
Domestic equities and funds	20,832,834
Real estate funds	672,479
Venture capital funds	3,534,449
Hedge funds	1,726,926
International equity funds	(8,808,037)
Corporate bond funds	1,454,030
U.S. government security	(22,278)
International bonds	(490,929)
Interest and dividends	11,869,339
	30,768,813
Less investment expense	(4,099,681)
Net investment income	26,669,132
Total additions	76,009,713
DEDUCTIONS	
Benefits	50,180,626
Refunds and transfers of contributions	4,265,067
Administrative and other expenses	1,048,778
Total deductions	55,494,471
NET CHANGE IN FIDUCIARY NET POSITION	20,515,242
Fiduciary Net Position, Beginning of Year	562,448,846
Fiduciary Net Position, End of Year	$ 582,964,088

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

BRISTOL COUNTY RETIREMENT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. PLAN DESCRIPTIONS AND CONTRIBUTION INFORMATION

The following brief description of the System is provided for general information purposes only. Participants should refer to Chapter 32 of the Massachusetts General Laws, the System's Retirement Guide, and other applicable statements, for more complete information.

General

The System is a multiple-employer cost sharing public employee retirement plan, which is a defined benefit pension plan covering eligible County and local municipal employees, except teachers and other employees covered by the Commonwealth of Massachusetts Teachers' Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The supervisory authority for the management and operation of the System is the Board, which acts as a fiduciary for investment of the funds and the application of System interpretations.

As of January 1, 2014, the date of the latest updated valuation, the System's membership consisted of:

	2014
Retirees and beneficiaries currently receiving benefits	2,041
Inactive participants	714
Disabled participants	277
Active participants	3,119
	6,151

Benefits

Members become vested after 10 years of creditable service. A superannuitation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuitation retirement allowance upon reaching the age of 60 with ten years of service if in group 1, 50 years of age with ten years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

Contributions

The contributions rates for active members are pursuant to statute. Active members contribute 5, 7, 8, or 9% of their gross regular compensation depending on the date upon which their membership began and certain employees contribute an additional 2% over $30,000 of annual compensation. Deductions are deposited in the annuity savings fund and earn interest at a rate determined by the Public Employee Retirement Administration Commission ("PERAC") actuary. When a member's retirement becomes effective their deduction and related interest are transferred to the annuity reserve fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are the responsibility of the Commonwealth and deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are the responsibility of the system.

Employer contributions are based on an actuarial calculation. The System and its members determine and pay pension costs on an accrual basis. Employer contributions are due semiannually on a fiscal year basis in July and January; however, in 2014, the System authorized an actuarially determined discount of approximately 2% on contributions paid in advance of July 1st. The Commonwealth of Massachusetts currently reimburses the System on a semi-annual basis for increases granted to retirement members between 1982 and 1997.

Participating Employers

As of December 31, 2014, there were 39 participating employers consisting of:

Towns	14
County	1
Special Districts	24
	39

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration Commission ("PERAC").

The Chairman of the System's Board of Directors also serves as Treasurer for Bristol County, which is a member of the System.

Tax Status

The System is qualified under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The plan administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Bristol County Retirement System ("System") also referred to as the ("Plan").

Basis of Accounting

The accompanying financial statements of the Bristol County Retirement System have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

Bristol County Retirement System is a special-purpose government engaged only in fiduciary activities. The financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of trade dates. Member and employer contributions are established by statute. Member contributions are a percentage of salaries and are recognized in the period in which employees' salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The System is administered by the Bristol County Retirement Board (Board) and is governed by Chapter 32 of the Massachusetts General Laws and other applicable statutes. Administrative expenses are paid with funds provided by operations of the plan.

Cash and short-term investments

Cash and short-term investments are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments, at fair value

Investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds and mutual funds, is determined by the respective fund trustee based on quoted sales prices of the underlying securities. The fair value of real estate funds is provided by the fund's manager based on the value of the underlying real estate properties as determined from independent appraisals. Other investments that do not have an established market are reported at estimated fair value.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from real estate and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the System's pro rata share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties and the System's real estate investment management fees.

The System may invest in various traditional financial instruments that fall under the broad definition of derivatives, which may include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the System's investment policy.

Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the amounts reported in the statement of System's net position.

Accounts Receivable

Accounts receivable consist of employee deductions, securities sold, amounts due from other systems and interest and dividends receivable. These receivables are considered to be 100% collectible and there is no allowance for uncollectible accounts.

Other Assets

Other assets consist of two condominiums which are owned by a Trust that is related to the System. The System's administrative offices are located in the condominiums, which were purchased via funding by the member units and general funds. Carrying amount approximates cost.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of fiduciary net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fiduciary net position that applies to a future period and so will not be recognized as an outflow of resources (deduction).

In addition to liabilities, the statement of fiduciary net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (addition).

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make significant estimates and assumptions that affect the reported amounts of net position held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in Plan net position during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the System and the actuarial information in Schedule in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

3. CASH AND INVESTMENTS

The System maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. At December 31, 2014, cash and short-term investment deposits totaled $9,219,183 and had a carrying amount of $8,555,277. Of the deposit amounts, $8,969,183 was exposed to custodial credit risk at December 31, 2014, because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Equity securities, money market funds, repurchase agreements, international equity funds and equity mutual funds are not rated as to credit risk. Obligations of the U.S. Government and certain of its agencies are not considered to have credit risk and therefore no rating is disclosed. The investment policy of the System does not formally address credit risk; however, the Board provides guidelines with each investment manager, as applicable. At December 31, 2014, the System had $86,299,591 of the corporate fixed income bonds. Income Research and Management managed $42,074,271, State Street managed $11,929,392, and PIMCO managed $32,295,928. The average rating for Income Research and Management was Aa3/AA-, the average rating of State Street was AA2, and the average rating of PIMCO was BAA. At December 31, 2014, the $14,865,077 U.S. government fixed income securities were managed by Income Research and Management. The average rating for the U.S. government fixed income securities is AAA/AA+ for 2014. At December 31, 2014, $14,419,319 and $2,413,512 of the international fixed income bonds were managed by Colchester Global and Income Research and Management, respectively. The average rating for the Colchester Global managed investments was AA, and the average rating for the Income Research & Management investments were Aa3/AA- in 2014.

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the System does not formally address interest rate risk; however, the Board provides guidelines with each investment manager, as applicable. The average maturity as of December 31, 2014 of the corporate fixed income bonds managed by Income Research and Management is 9.32 years, and the average maturity for PIMCO was 10.6 years. The average maturity of the U.S. Government Securities managed by Income Research and Management is 5.32 years for 2014. The average maturity of the international fixed income securities managed by Colchester was 7.75 years.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The system does not formally address currency risk. The following table represents the System's foreign currency exposure for international bonds at December 31, 2014; the information for international equity funds was not available:

Country	2014 Total
Australia	$ 2,223,830
Austria	320,788
Belgium	517,745
Brazil	810,646
Britain	163,292
Canada	1,361,474
China	251,934
Czech Republic	78,311
Germany	443,848
Italy	639,595
Japan	381,902
Malaysia	1,736,588
Mexico	675,917
Netherlands	1,529,138
New Zealand	373,261
Norway	1,663,481
Poland	794,303
Slovakia	342,172
South Africa	15,428
Sweden	447,608
United States	219,657
Other	1,841,913
	$ 16,832,831

Concentration of credit risk is assumed to arise when the amount of investments that the System has with anyone issuer exceeds 5 percent or more of the total value of the System's investments. The System does not have more than 5% of its investments in any one issuer, except for certain pooled funds.

Schedule of investment returns

The annual money-weighted rate of return, net of investment expense for the year ended December 31, 2014 was 5.29%.

4. ACTUARIAL VALUATION

Components of the net pension liability as of December 31, 2014:

Total Pension Liability	$868,686,150
The Pension Plan's Fiduciary Net Position	$582,964,088
Net Pension Liability	$285,722,062
The Pension Plan's Fiduciary Net Position as a percentage of Total Pension Liability	67.1%

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Entry age
Amortization method	Level percent, open group
Remaining amortization period	15 years
Asset valuation method	Actuarially valued using a five-year smoothing of asset returns greater than or less than the assumed rate of return

Actuarial assumptions:

Investment rate of return	8.00%
Projected salary increases	3.00%
Cost-of-living adjustments	3.00% of $16,000/year
Discount rate	8.00%
Inflation	4.00%
Rates of retirement	Varies based upon age for general employees, police, and fire employees
Rates of disability	General employees – 40% ordinary, 60% service connected Police & Fire – 10% ordinary, 90% service connected
Mortality rates	Pre-Retirement – RP-2000 Mortality Table, adjusted to 2015 with Scale AA Healthy Retiree - RP-2000 Mortality Table, adjusted to 2015 with Scale AA Disabled Retiree – RP-2000 Mortality Tables, set forward two years
Family Composition	Assumption that 80% of members will be survived by a spouse, and that females are three years younger than males, males are three years older than females
Survivor Benefits	Occupational Death – Survivors of a member who dies due to an occupational injury will be entitled to a lump sum return of contributions plus a pension benefit equal to 72% of the participants annual salary Non-Occupational Death – Upon the death of a member other than due to an occupational injury, the designated beneficiary will be entitled to a retirement benefit as if Option C had been elected with a minimum of $250 per month to the surviving spouse, plus $120 for the first child, plus $90 for each additional child. If no beneficiary is designated and if the employee worked two years, and is married at least one year, the spouse may elect benefits. If there is no designated beneficiary or surviving spouse, then member contributions are returned. If there are dependent children but no surviving spouse, they may elect minimum survivor benefits of $250 per month plus $120 for the first child and $90 each additional child.

Refund of contributions   Upon the death of a member not entitled to survivor benefits, the beneficiary is entitled to a refund of all member contributions with interest.

Cost-of-Living Adjustments

In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a cost-of-living adjustment (COLA) will be determined by a an annual vote of the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3.0%, beginning on July 1. All retirees, disabled retirees, and beneficiaries who have been receiving benefits payments for at least one year as of July 1 are eligible for the adjustment. The maximum amonnt of pension benefit subject to a COLA is S13,000. All COLA's granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the State and not the liability of the Retirement System. The Bristol County Retirement System has adopted a COLA base of $15,000 for Fiscal Year 2013 and S16,000 for Fiscal Year 2014.

For financial reporting purposes, the projection of benefits for the System does not explicitly incorporate the potential effects of the legal limit on employer contributions disclosed in Note 2.

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts General Law, employers are required to make the necessary contributions to the trust such that the Plan reaches a full funding status by 2040.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability calculated using the discount rate of 8.00%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%)

	1% decrease	**Current Discount Rate**	**1% increase**
	(7.00%)	(8.00%)	(9.00%)
Bristol County Retirement System's net pension liability as of December 31, 2014	378,688,425	285,722,062	208,624,641

The Plan Fiduciary Net Position as a percentage of the Total Pension liability is 67.0%

Investment policy

The Plan does not have a formal investment policy. The Board is in the process of formalizing an investment policy. The Board approved target weights and expected rates of return on November 4, 2014.

As of November 4, 2014, the Plan's portfolio target weights and assumed long-term rates of return at the asset class level are as follows:

Asset Class	Portfolio Target Weight	Long term Expected Rate of Return
Equity	46.5%	7.8%
Fixed income	24.5%	5.0%
Private equity	8.5%	11.3%
Real estate funds	7.5%	6.3%
Hedge funds	5.0%	7.1%
Infrastructure	5.0%	8.0%
Timber	3.0%	7.5%

5. LEGALLY REQUIRED RESERVE ACCOUNTS

The balances in the System's legally required reserves at December 31, 2014:

	2014	Purpose
Annuity Savings Fund	$ 141,515,110	Active members' contribution balance
Annuity Reserve Fund	46,724,267	Retired members' contribution account
Pension Reserve Fund	394,656,424	Amounts appropriated to fund future retirement benefits
Military Credit	68,287	Members' contribution while on military leave
	$582,964,088	

All reserve accounts are funded at levels required by state statute.

6. COMMITMENTS AND CONTINGENCIES

The System is involved in certain lawsuits at December 31, 2014. In the opinion of System management, the ultimate resolution of these legal actions will not result in a material loss to the System.

7. RECENT ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2014. This pronouncement was implemented in the current year. The pronouncement reclassified certain assets and liabilities as deferred outflows and deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No.10 and No. 62*, which is required to be implemented in fiscal year 2014. The pronouncement resolves conflicting guidance from issued pronouncement No. 54, regarding fund based reporting of risk financing activities. Also it amends No. 62 by modifying the specific guidance on accounting for (1) operating lease payments, (2) purchase of a loan or a group of loans, and (3) service fees. The pronouncement had no effect upon the System's financial statements.

The GASB issued Statement #67, *Accounting for Pension Plans*, which was required to be implemented in fiscal year 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The System implemented the pronouncement.

The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations,* which was required to be implemented in fiscal year 2014. The pronouncement addresses accounting and financial reporting issues associated with a variety of transactions, such as mergers, acquisitions, disposals and transfer of governmental operations. The pronouncement had no effect upon the System's financial statements.

The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* which was required to be implemented in fiscal year 2014. The pronouncement addresses accounting and financial reporting for financial guarantees extended by a government for the obligations of another government, not-for-profit, or private entity without directly receiving equal or approximately equal value in exchange for the guarantee. The pronouncement had no effect upon the System's financial statements.

Future Pronouncements

The GASB issued Statement #72, *Fair Value Measurement and Application,* which is required to be implemented in fiscal year 2016. The pronouncement addresses accounting and financial reporting issues related to fair value measurements. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("OPEB"),* which is required to be implemented in fiscal year 2018. The pronouncement addresses reporting by OPEB plans that administer benefits on behalf of governments. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* which is required to be implemented in fiscal year 2018. The pronouncement replaces previously issued guidance and establishes new accounting and financial reporting requirements for governments whose employees are provided other post-employment benefits. The System expects to implement the pronouncement as applicable.

The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* which is required to be implemented in fiscal year 2017. The pronouncement replaces previously issued guidance and improves financial reporting by redefining the hierarchy of generally accepted accounting principles (GAAP). The System expects to implement the pronouncement as applicable.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS

		2014
Total pension liability:		
Service cost	$	16,427,712
Interest		68,538,354
Benefit payments, including refunds of employee contributions		(56,581,624)
Net change in total pension liability		28,384,442
Total pension liability, beginning		840,301,708
Total pension liability, ending (a)	$	868,686,150
Plan fiduciary net position increase (decrease):		
Member contributions	$	14,991,145
Employer contributions		32,216,280
Net investment income (loss)		27,547,920
Retirement benefits and refunds		(52,732,330)
Administrative expenses		(1,507,773)
Net increase in fiduciary net position		20,515,242
Fiduciary net position at beginning of year		562,448,846
Fiduciary net position at end of year (b)	$	582,964,088
Net pension liability - ending (a) - (b)	$	285,722,062
Plan fiduciary net position as a percentage of the total pension liability		67.11%
Covered-employee payroll (*)	$	141,877,055
Net pension liability as a percentage of covered-employee payroll		201.39%

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

*Covered employee payroll as reported in the January 1, 2014 actuarial valuation report.

See notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

		2014
Actuarially determined contribution (a)	$	32,305,486
Discounts on contributions from early payments and adjustments for interest and other payments		(89,206)
Contributions in relation to the actuarially determined contribution		32,216,280
Contribution deficiency (excess)	$	-
Covered-employee payroll (*)	$	141,877,055
Contributions as a percentage of covered-employee payroll		22.71%

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

(a) Based on the results of the January 1, 2012 actuarial valuation (including assumptions and methods) which determined budgeted appropriations for fiscal 2015.

*Covered employee payroll as reported in the January 1, 2014 funding valuation report.

See notes to required supplementary information.

BRISTOL COUNTY RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURN

	2014
Annual money-weighted rate of return, net of investment expense	5.29%

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

See notes to required supplementary information.

NOTE 1 – CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the system's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Since the System performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of December 31, 2014.

NOTE 2 – CONTRIBUTIONS

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

NOTE 3 – MONEY WEIGHTED RATE OF RETURN

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Lynch, Malloy, Marini, LLP

Certified Public Accountants & Advisors

INDEPENDENT AUDITORS' REPORT

To the Honorable Bristol County Retirement Board
Bristol County Retirement System
Taunton, Massachusetts

Report on the Financial Statements

We have audited the accompanying schedule of employer allocations of the Bristol County Retirement System (the System), as of and for the year ended December 31, 2014 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense included in the accompanying schedule of pension amounts by employer of the Bristol County Retirement System as of and for the year ended December 31, 2014, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of the employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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9 Baystate Court
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508-255-2240

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508-650-0018

Opinion

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Bristol County Retirement System as of and for the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Bristol County Retirement System as of and for the year ended December 31, 2014, and our report thereon, dated October 6, 2015, expressed an unmodified opinion on those financial statements.

Restriction on Use

This report is intended solely for the information and the use of the Bristol County Retirement System management, the Bristol County Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Lynch, Malloy, Marini, LLP

Norwell, Massachusetts
October 6, 2015

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

Employer	FY2015 Pension Fund Appropriation	Direct Appropriation E.R.I., Sheriff and Hospital	FY2015 Total Appropriation	Share of Net Pension Liability	Percent of Total Net Pension Liability
Bristol County	$ 1,033,924	$ 88,871	$ 1,122,795	10,095,729	3.533%
Town of Acushnet	1,013,625	14,236	1,027,861	9,327,209	3.264%
Acushnet Hous. Auth.	18,867	-	18,867	104,407	0.037%
Town of Berkley	612,836	8,074	620,910	5,877,645	2.057%
Town of Dartmouth	3,699,658	295,363	3,995,021	35,854,478	12.549%
Dartmouth Hous. Auth.	55,990	-	55,990	567,056	0.198%
Dartmouth Fire Dis. #3	66,963	-	66,963	805,838	0.282%
Dartmouth Fire Dis. #2	15,950	-	15,950	157,906	0.055%
Dartmouth Fire Dis. #1	18,507	-	18,507	191,668	0.067%
Town of Dighton	555,626	45,003	600,629	5,636,255	1.973%
Dighton Hous. Auth.	18,296	-	18,296	177,110	0.062%
Dight.-Reh. Reg. School	792,516	-	792,516	7,201,411	2.520%
Dighton Water Dist.	101,591	-	101,591	1,138,659	0.399%
North Dighton Fire Dis.	-	-	-	-	0.000%
Town of Easton	3,152,979	-	3,152,979	32,268,160	11.294%
Easton Hous. Auth.	32,518	-	32,518	346,134	0.121%
Town of Freetown	740,938	55,009	795,947	6,244,212	2.185%
Freet.-Lakev.Reg. Sch.	781,710	-	781,710	7,522,790	2.633%
Town of Mansfield	3,808,545	67,500	3,876,045	36,667,016	12.833%
Mansfield Housing	69,240	-	69,240	573,911	0.201%
Brist.Cnty. Mosquito Cont.	108,502	15,320	123,822	1,235,258	0.432%
Town of Norton	2,124,148	-	2,124,148	20,324,407	7.113%
Norton Housing Auth.	31,798	-	31,798	295,117	0.103%
Town of Raynham	1,458,874	76,704	1,535,578	14,791,279	5.177%
Raynham Hous. Auth.	43,642	-	43,642	321,222	0.112%
Raynham Water Dist.	111,864	-	111,864	868,468	0.304%
Town of Rehoboth	661,999	-	661,999	6,531,950	2.286%
Town of Seekonk	2,070,641	89,174	2,159,815	19,559,219	6.846%
Seekonk Housin. Auth.	19,589	5,520	25,109	140,753	0.049%
Seekonk Water District	101,571	-	101,571	1,087,784	0.381%
Town of Somerset	2,188,303	-	2,188,303	20,802,662	7.281%
Somerset Housing Auth.	43,233	-	43,233	363,226	0.127%
Town of Swansea	1,569,789	45,707	1,615,496	15,393,064	5.387%
Swansea Housing Auth.	15,109	5,861	20,970	144,904	0.051%
Swansea Water District	141,913	13,038	154,951	1,427,021	0.499%
Town of Westport	1,874,228	96,949	1,971,177	18,714,835	6.550%
Westport Housing Auth.	7,866	-	7,866	78,630	0.028%
Somerset Berkley Schools	379,257	-	379,257	2,884,669	1.010%
Sheriffs retirees	1,518,176	322,376	1,840,552	-	0.000%
Total	$ 31,060,781	$ 1,244,705	$ 32,305,486	$ 285,722,062	100.000%

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2014

		Deferred Outflows of Resources				
Employer	Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
Bristol County	10,095,729	$ -	485,730	$ -	$ -	$ 485,730
Town of Acushnet	9,327.209	-	448,755	-	-	448,755
Acushnet Hous. Auth	104.407	-	5.023	-	-	5.023
Town of Berkley	5.877.645	-	282.788	-	-	282.788
Town of Dartmouth	35.854,478	-	1,725.045	-	-	1,725.045
Dartmouth Hous.Auth	567,056	-	27,282	-	-	27,282
Dartmouth Fire Dis.#3	805,838	-	38,771	-	-	38,771
Dartmouth Fire Dis.#2	157,906	-	7,597	-	-	7,597
Dartmouth Fire Dis.#1	191,668	-	9,222	-	-	9,222
Town of Dighton	5,636,255	-	271,174	-	-	271,174
Dighton Hous. Auth.	177.110	-	8,521	-	-	8.521
Dight.-Reh. Reg. School	7.201.411	-	346,477	-	-	346.477
Dighton Water Dist.	1.138.659	-	54,784	-	-	54.784
North Dighton Fire Dis	-	-	0	-	-	-
Town of Easton	32,268,160	-	1,552,499	-	-	1,552,499
Easton Hous. Auth	346,134	-	16,653	-	-	16,653
Town of Freetown	6,244,212	-	300,424	-	-	300,424
Freet.-Lakev.Reg. Sch	7,522,790	-	361,940	-	-	361,940
Town of Mansfield	36,667,016	-	1,764,139	-	-	1,764,139
Mansfield Housing	573.911	-	27,612	-	-	27.612
Brist.Cnty.Mosquito.Cont.	1.235.258	-	59,431	-	-	59.431
Town of Norton	20.324.407	-	977,856	-	-	977.856
Norton Housing Auth	295,117	-	14,199	-	-	14,199
Town of Raynham	14,791,279	-	711,644	-	-	711,644
Raynham Hous.Auth	321,222	-	15,455	-	-	15,455
Raynham Water Dist	868,468	-	41,784	-	-	41,784
Town of Rehoboth	6,531,950	-	314,268	-	-	314,268
Town of Seekonk	19,559,219	-	941,041	-	-	941,041
Seekonk Housin. Auth.	140.753	-	6.772	-	-	6.772
Seekonk Water District	1.087.784	-	52,336	-	-	52.336
Town of Somerset	20.802,662	-	1,000,866	-	-	1,000.866
Somerset Housing Auth.	363,226	-	17,476	-	-	17,476
Town of Swansea	15,393,064	-	740,597	-	-	740,597
Swansea Housing Auth.	144,904	-	6,972	-	-	6,972
Swansea Water District	1,427,021	-	68,657	-	-	68,657
Town of Westport	18,714,835	-	900,416	-	-	900,416
Westport Housing Auth.	78.630	-	3,783	-	-	3,783
Somerset Berkley Schools	2.884.669	-	138.788	-	-	138.788
Sheriffs retirees	-	-	0	-	-	-
Total for All Entities	$ 285,722,062	$ -	$ 13,746,777	$ -	$ -	$ 13,746,777

See notes to schedule of employer allocations and schedule of pension amounts by employer.

(Continued)

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Deferred Inflows of Resources				Pension Expense		
Employer	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Bristol County	$ -	$ -	$ -	$ -	1,066,665	$ -	$ 1,066,665
Town of Acushnet	-	-	-	-	985,467	-	985,467
Acushnet Hous. Auth.	-	-	-	-	11.031	-	11,031
Town of Berkley	-	-	-	-	621.003	-	621,003
Town of Dartmouth	-	-	-	-	3,788,209	-	3,788,209
Dartmouth Hous. Auth.	-	-	-	-	59,912	-	59,912
Dartmouth Fire Dis .#3	-	-	-	-	85,141	-	85,141
Dartmouth Fire Dis. #2	-	-	-	-	16,684	-	16,684
Dartmouth Fire Dis. #4	-	-	-	-	20,251	-	20,251
Town of Dighton	-	-	-	-	595,499	-	595,499
Dighton Hous. Auth.	-	-	-	-	18.713	-	18,713
Dight.-Reh. Reg. School	-	-	-	-	760.866	-	760,866
Dighton Water Dist.	-	-	-	-	120.305	-	120,305
North Dighton Fire Dis.	-	-	-	-	0	-	-
Town of Easton	-	-	-	-	3,409,296	-	3,409,296
Easton Hous. Auth.	-	-	-	-	36,571	-	36,571
Town of Freetown	-	-	-	-	659,733	-	659,733
Freet.-Lakev.Reg. Sch.	-	-	-	-	794,821	-	794,821
Town of Mansfield	-	-	-	-	3,874,058	-	3,874,058
Mansfield Housing	-	-	-	-	60.637	-	60,637
Brist.Cnty.Mosquito.Cont.	-	-	-	-	130,511	-	130,511
Town of Norton	-	-	-	-	2.147.378	-	2,147,378
Norton Housing Auth.	-	-	-	-	31,181	-	31,181
Town of Raynham	-	-	-	-	1,562,774	-	1,562,774
Raynham Hous. Auth.	-	-	-	-	33,939	-	33,939
Raynham Water Dist	-	-	-	-	91,758	-	91,758
Town of Rehoboth	-	-	-	-	690,134	-	690,134
Town of Seekonk	-	-	-	-	2,066,531	-	2,066,531
Seekonk Housin. Auth.	-	-	-	-	14.871	-	14,871
Seekonk Water District	-	-	-	-	114.930	-	114,930
Town of Somerset	-	-	-	-	2.197,907	-	2,197,907
Somerset Housing Auth.	-	-	-	-	38,377	-	38,377
Town of Swansea	-	-	-	-	1,626,356	-	1,626,356
Swansea Housing Auth.	-	-	-	-	15,310	-	15,310
Swansea Water District	-	-	-	-	150,772	-	150,772
Town of Westport	-	-	-	-	1,977,318	-	1,977,318
Westport Housing Auth.	-	-	-	-	8.308	-	8,308
Somerset Berkley Schools	-	-	-	-	304.780	-	304,780
Sheriffs retirees	-	-	-	-	-	-	-
Total for All Entities	$ -	$ -	$ -	$ -	$ 30,187,997	$ -	$ 30,187,997

See notes to schedule of employer allocations and schedule of pension amounts by employer.

(Continued)

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

Employer	Deferred Inflows/(Outflows) Recognized in Future Pension Expense				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	Covered Employer Payroll
Bristol County	121,432	$ 121,432	$ 121,432	$ 121,432	$ 5,013,098
Town of Acushnet	112,189	112,189	112,189	112,189	4,631,483
Acushnet Hous. Auth.	1,256	1,256	1,256	1,256	51,844
Town of Berkley	70,697	70,697	70,697	70,697	2,918,581
Town of Dartmouth	431,261	431,261	431,261	431,261	17,803,763
Dartmouth Hous. Auth.	6,821	6,821	6,821	6,821	281,575
Dartmouth Fire Dis. #3	9,693	9,693	9,693	9,693	400,144
Dartmouth Fire Dis. #2	1,899	1,899	1,899	1,899	78,409
Dartmouth Fire Dis. #1	2,305	2,305	2,305	2,305	95,174
Town of Dighton	67,793	67,793	67,793	67,793	2,798,717
Dighton Hous. Auth.	2,130	2,130	2,130	2,130	87,945
Dight.-Reh. Reg. School	86,619	86,619	86,619	86,619	3,575,905
Dighton Water Dist.	13,696	13,696	13,696	13,696	565,408
North Dighton Fire Dis.	-	-	-	-	-
Town of Easton	388,125	388,125	388,125	388,125	16,022,954
Easton Hous. Auth.	4,163	4,163	4,163	4,163	171,875
Town of Freetown	75,106	75,106	75,106	75,106	3,100,602
Freet.-Lakev. Reg. Sch.	90,485	90,485	90,485	90,485	3,735,488
Town of Mansfield	441,035	441,035	441,035	441,035	18,207,233
Mansfield Housing	6,903	6,903	6,903	6,903	284,979
Brist. Cnty. Mosquito Cont.	14,858	14,858	14,858	14,858	613,375
Town of Norton	244,464	244,464	244,464	244,464	10,092,210
Norton Housing Auth.	3,550	3,550	3,550	3,550	146,542
Town of Raynham	177,911	177,911	177,911	177,911	7,344,701
Raynham Hous. Auth.	3,864	3,864	3,864	3,864	159,505
Raynham Water Dist	10,446	10,446	10,446	10,446	431,243
Town of Rehoboth	78,567	78,567	78,567	78,567	3,243,480
Town of Seekonk	235,260	235,260	235,260	235,260	9,712,251
Seekonk Housin. Auth.	1,693	1,693	1,693	1,693	69,892
Seekonk Water District	13,084	13,084	13,084	13,084	540,146
Town of Somerset	250,217	250,217	250,217	250,217	10,329,690
Somerset Housing Auth.	4,369	4,369	4,369	4,369	180,362
Town of Swansea	185,149	185,149	185,149	185,149	7,643,521
Swansea Housing Auth.	1,743	1,743	1,743	1,743	71,953
Swansea Water District	17,164	17,164	17,164	17,164	708,596
Town of Westport	225,104	225,104	225,104	225,104	9,292,967
Westport Housing Auth.	946	946	946	946	39,044
Somerset Berkley Schools	34,697	34,697	34,697	34,697	1,432,400
Sheriffs retirees	-	-	-	-	-
Total for All Entities	$ 3,436,694	$ 3,436,694	$ 3,436,694	$ 3,436,694	$ 141,877,055

See notes to schedule of employer allocations and schedule of pension amounts by employer.

BRISTOL COUNTY RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Discount Rate Sensitivity			Schedule of Contributions				
Employer	1% decrease (7.00%)	Current discount rate (8.00%)	1% increase (9.00%)	Statutory Required Contribution	2% Discount Paid	Contribution in Relation to the Statutory Required Contribution	Contribution Deficiency/ (Excess)	Contributions as a Percentage of Covered Employee Payroll
Bristol County	$ 33,931,689	30,694,238	$ 27,922,639	1,122,795	1,101,604	$ 1,101,604	$ -	21.97%
Town of Acushnet	31,348,693	28,357,687	25,797,073	1,027,861	1,008,460	1,008,460	-	21.77%
Acushnet Hous. Auth.	350,912	317,431	288,768	18,867	18,511	18,511	-	35.71%
Town of Berkley	19,754,731	17,869,915	16,256,315	620,910	609,190	609,190	-	20.87%
Town of Dartmouth	120,506,694	109,009,047	99,165,856	3,995,021	3,919,615	3,919,615	-	22.02%
Dartmouth Hous. Auth.	1,905,871	1,724,030	1,568,355	55,990	54,933	54,933	-	19.51%
Dartmouth Fire Dis. #3	2,708,418	2,450,005	2,228,777	66,963	65,699	65,699	-	16.42%
Dartmouth Fire Dis. #2	530,720	480,083	436,733	15,950	15,360	15,360	-	19.59%
Dartmouth Fire Dis. #1	644,196	582,732	530,113	18,507	18,158	18,158	-	19.08%
Town of Dighton	18,943,419	17,136,011	15,588,680	600,629	589,292	878,866	-	31.40%
Dighton Hous. Auth.	595,265	538,470	489,848	18,296	17,951	17,951	-	20.41%
Dight.-Reh. Reg. School	24,203,899	21,894,584	19,917,569	792,516	777,557	777,557	-	21.74%
Dighton Water Dist.	3,827,025	3,461,885	3,149,287	101,591	101,591	101,591	-	17.97%
North Dighton Fire Dis.	-	-	-	-		2,934	-	0.00%
Town of Easton	108,453,096	98,105,492	89,246,860	3,152,979	3,093,467	3,093,467	-	19.31%
Easton Hous. Auth.	1,163,355	1,052,358	957,333	32,518	31,904	31,904	-	18.56%
Town of Freetown	20,986,760	18,984,395	17,270,161	795,947	397,974	781,212	-	25.20%
Freet.-Lakev.Reg. Sch.	25,284,054	22,871,681	20,806,436	781,710	766,955	766,955	-	20.53%
Town of Mansfield	123,237,625	111,479,416	101,413,159	3,876,045	3,802,886	3,802,886	-	20.89%
Mansfield Housing	1,928,911	1,744,872	1,587,315	69,240	67,933	67,933	-	23.84%
Brist. Cnty. Mosquito Cont.	4,151,695	3,755,578	3,416,461	123,822	121,485	121,485	-	19.81%
Town of Norton	68,310,214	61,792,678	56,212,984	2,124,148	2,084,055	2,084,055	-	20.65%
Norton Housing Auth.	991,885	897,249	816,230	31,798	31,198	31,198	-	21.29%
Town of Raynham	49,713,403	44,970,204	40,909,529	1,535,578	1,506,594	1,506,594	-	20.51%
Raynham Hous. Auth.	1,079,627	976,619	888,433	43,642	21,821	42,798	-	26.83%
Raynham Water Dist.	2,918,915	2,640,419	2,401,997	111,864	111,864	165,634	-	38.41%
Town of Rehoboth	21,953,845	19,859,210	18,065,982	661,999	649,504	649,504	-	20.02%
Town of Seekonk	65,738,421	59,466,261	54,096,636	2,159,815	2,119,049	2,119,049	-	21.82%
Seekonk Housin. Auth.	473,072	427,935	389,294	25,109	25,109	37,166	-	53.18%
Seekonk Water District	3,656,037	3,307,211	3,008,580	101,571	101,571	150,393	-	27.84%
Town of Somerset	69,917,623	63,246,722	57,535,733	2,188,303	2,146,999	2,146,999	-	20.78%
Somerset Housing Auth.	1,220,800	1,104,322	1,004,605	43,233	43,233	64,014	-	35.49%
Town of Swansea	51,735,998	46,799,822	42,573,938	1,615,496	1,585,004	1,585,004	-	20.74%
Swansea Housing Auth.	487,022	440,554	400,774	20,970	20,574	30,641	-	42.58%
Swansea Water District	4,796,209	4,338,598	3,946,836	154,951	152,026	152,026	-	21.45%
Town of Westport	62,900,452	56,899,065	51,761,250	1,971,177	1,933,971	1,933,971	-	20.81%
Westport Housing Auth.	264,274	239,059	217,473	7,866	7,718	11,499	-	29.45%
Somerset Berkley Schools	9,695,354	8,770,312	7,978,379	379,257	372,099	372,099	-	25.98%
Sheriffs retirees				1,840,552	1,840,552	1,877,365	-	0.00%
Total for All Entities	$ 960,310,179	$ 868,686,150	$ 790,246,391	$ 32,305,486	$ 31,333,466	$ 32,216,280	$ -	22.71%

See notes to schedule of employer allocations and schedule of pension amounts by employer.

1. SCHEDULE OF EMPLOYER ALLOCATIONS

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost- sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. For the first time, employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

GASB Statement #68 requires the allocation of the collective pension amounts be consistent with the manner in which contributions to the plan are determined. As permissible under GASB Statement #68, The Schedule of Employer Allocations is used to demonstrate the allocation of Bristol County Retirement System's collective pension amounts.

Massachusetts General Law (MGL) Chapter 32 Section 22 Paragraph 7c dictates that Massachusetts cost sharing defined benefit pension plans allocate the annual required pension fund appropriation to employer units based on their proportionate share of the aggregate of the annual rates of regular compensation of all members in service of the system who are employees of any government unit at the close of business on the September 30th immediately preceding the fiscal year. Accordingly, the proportionate aggregate rates of regular compensation as of the close of business on September 30, 2013 were applied to allocate the System's fiscal year 2015 pension fund appropriation by member unit.

In 2010, the Bristol County Sheriffs functions were taken over by the Commonwealth of Massachusetts. Bristol County continues to pay for the retirement obligations related to previously retired Sheriff's employees. These liabilities are actuarially determined and are separately identified in the system's funding schedule.

When a member unit accepts an Early Retirement Incentive Program (E.R.I. or ERIP), PERAC completed an analysis of the costs and liabilities attributable to the additional benefits payable in accordance with the ERIP.

The accrued liability for the members who accept the ERIP as retirees including the ERIP less the accrued liability for the members as active employees excluding the ERIP represents the increase in accrued liability due to the ERIP. The net increase is amortized for each member unit accepting the ERIP, and is separately identified in the system's funding schedule. The 2003 ERIP amortization is occurring over 9 years, increasing 4.5% per year. The 2010 ERIP amortization is occurring over an 8 year, straight-line basis.

The allocation percentage of the total net pension liability is a blended rate of the following three items. (1) The proportionate share of active employer's covered payroll is applied to the fiscal year 2015 pension fund appropriation calculated by the actuary. (2) ERI is a direct charge calculated by PERAC for only the employers that accepted the ERI. (3) The direct amortization of the actuarial determined net pension liability for Bristol County Sheriff and North Dighton Fire District since they no longer have active covered payroll.

2. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

The Schedule of Pension Amounts by Employer presents the net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense for all participating employers including differences between expected and actual economic experience; differences between projected and actual investment earnings, net; and changes of assumptions. Since the system performs an actuarial valuation bi-annually, there are no reported differences between expected and actual experience or a change of assumptions as of December 31, 2014. Additionally, the changes in proportion and differences between employer contributions and proportionate share of contributions are not presented in the initial year of reporting in accordance with GASB Statements 67, 68 and 71.

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